32,685

PARIS, MONDAY, MARCH 28, 1988

ESTABLISHED 1887

)emocratic Disarray Grows Is Jackson Wins in Michigan

By R.W. Apple Jr.
New York Times Service ETROTT - The Reverend Jes-Jackson has dealt a blow to presidential candidacy of Gov-it Michael S. Dukakis, beating in the popular vote in the higan Democratic caucuses denying him the momentum he sought in this big industrial

fichigan voters left the Demoie contest in a bigger muddle a before, with Mr. Dukakis burt wo straight disappointments in thern states, Mr. Jackson yed by an unexpectedly large ory and the shape of the contest i to discern.

(r. Jackson, speaking Sunday in wankee, took a swipe at Mayor eman Young of Detroit, who refused to endorse him but had ed Mr. Dukakis the best candi-"Everyone is getting some-ig from Michigan," he said. werner Dukakis got the ensement of the mayor of Detroit. the votes of the people of

Milwankee, Mr. Dukakis said, won't know who will win it fall the primaries and caucuses

iepresentative Richard A. Gep-if of Missouri finished third in popular vote and in the sepa-contest for delegates. It ned probable that the loss ild eliminate him as a contendthough the winnowing process been slow this year. He has not ed a major victory since taking a cancuses in early February.

4r. Gephardt's economic naualism could not save him even ; but it proved so popular that as been taken up by others. erated intense support despite endorsement of Mr. Dukakis

Mr. Young, who is black. The orise was the Chicago clergy-



The Reverend Jesse Jackson, who got the votes in Detroit.

man's powerful showing in pre-dominantly white cities like Lan-sing, Flint, Kalamazoo and Battle Creek, many of which be carried.

There were 138 delegates to the party's presidential nominating convention at stake in Michigan. The Associated Press calculated 4r. Jackson swept Detroit's that Mr. Jackson won 61, Mr. Du-k neighborhoods, where he kakis 43 and Mr. Gephardt 22, and that 12 were uncome

[With 94 percent of the precincts reporting, Mr. Jackson was lead-

Mr. Dukakis, who had spent more money, had more endorsements and led in opinion polls.

[Mr. Gephardt had 13 percent

Senator Paul Simon 2 percent, and Senator Albert Gore Jr. 2 percent.] Mr. Dukakis had hoped that a clear-cut victory in this state would prove his appeal to blue-collar workers, a group critical to Democratic chances in the fall, and restablish him as the front-runner. He had lost this distinction when he ran third behind a pair of favorite sons in Illinois, Mr. Jackson and Senator Paul Simon.

Senator Albert Gore Jr. of Ten-nessee and Mr. Simon won no dele-

Mr. Jackson, who had drawn startlingly large crowds of both blacks and whites in the last few days, stayed in the state beyond his scheduled departure to ensure a large turnout of his followers.

Mr. Jackson easily eclipsed his 1984 effort in Michigan, when he took 17 percent of the vote in a state that is 12 percent black. In a typical Lanking precinct, for exam-ple, he took 1,400 votes this year, as egainst 240 four years ago.

So dramatically did be seize the public imagination that he was able that Mr. Dukakis was the Democrat with the best chance of nomination, and to do it in a week when two national polls showed the Massachusetts governor running neck-and-neck with Vice President George Bush and all of the other Democratic candidates trailing by

Aides to Mr. Dukakis here and in Milwankee, where all the candi-dates attended a Jefferson-Jackson dinner Saturday, conceded that their candidate had lost the popu-lar vote, and they conceded that that was bad news. But they said he would persist in his strategy of

See VOTE, Page 6





An Israeli soldier pulling a Palestinian by the bair Sunday as he arrested the West Bank youth at a protest in Ramallah. In Bethlehem, bottom, soldiers fired into the air as the police station at Manger Square came under attack by rock-throwing protesters. Four Palestinians were killed during the day.

4 Palestinians Slain by Israelis; Shultz to Renew **Peace Shuttle**

By John Kifner

New York Times Service
JERUSALEM — Israeli soldiers shot and killed four more Palestinians on Sunday as they pressed a buge campaign of arrests that the government says has rounded up nearly 2,000 people in a week and a half in hopes of breaking the wave

Within the Israeli gnvernment itself, meanwhile, the acrimony con-tinued as Prime Minister Yitzhak Shamir and Foreign Minister Shi-mon Peres squabbled at the weekly cabinet meeting over the peace ef-fort being pushed by the U.S. secre-tary of state, George P. Shultz.

"It was very tense and snappy," a cabinet aide said. "Peres walked out of the room at one point" The State Department announced Saturday that Mr. Shultz.

would be resuming his diplomatic shuttle between Israel and Arab countries next Sunday, although his proposals met little enthusiasm during a visit to the Middle East earlier this year.

The trip was announced as Mr. Shultz met in Washington with two U.S. members of the Palestine National Council, which considers itself the legislative body of the Palstinian nationalist movement.

The two men, Edward W. Said of Columbia University and Ibrahim Abu-Lughod of Northwestern Uni-versity, both U.S. citizens who are

Palestinian by birth, issued a state-ment afterward calling the meeting "a step forward" in the peace pro-

In the occupied West Bank and Gaza Strip, the Palestinian protest movement appears yet more deeply ingrained despite the Israeli campaign of arrests, and despite a marked increase in the use of live ammunition that has recently produced an average of more than a death a day and mounting economic pressure, including closing down regetable markets.

The four deaths on Sunday brought the weekend total to nine. naking the number of Palestinians killed since protests started in De-cember at least 107, according to an unofficial tally. One Israeli soldier has been killed in the protests.

The Israeli cabinet meeting was described by the commentator on the army radio on Sunday night as "exchanges of words, exchanges of biting remarks which, as usual with us, are a substitute for making real

On Sunday night, Mr. Shamir anounced the resignation of his special adviser on terrorism, Amiram Nir, who had played a role in the Iran-contra affair. Three of the deaths on Sunday

came as the army raided the village of Maythalon, near Jenin, early See GAZA, Page 6

Reagan's Dream of SDI Is Sharply Scaled Back

By R. Jeffrey Smith

WASHINGTON - Five years and \$12 billion after President Ronald Reagan inaugurated a ma-jor effort to render Soviet ballistic ssiles "impotent and obsolete," the Defense Department is sharply scaling back efforts to fulfill his mountable hardware and money

Instead of developing a "space security shield" to protect U.S. cities, the concept the president introduced on March 23, 1983, the Pentagon has scatled on the far less ambitious, immediate goal of protecting vital military installations. Senior U.S. officials say the deci-

system reflects broad agreement within the administration that the president's dream probably cannot be attained. They said privately that the threat of a ballistic missile attack would not be diminished in the foresecable future.

The dramatic reorientation of Mr. Reagan's cherished Strategic Defense Initiative, or SDI, is revealed in part by a 1987 classified document from the Joint Chiefs of Staff, calling for development and deployment of a defensive system that would stop 30 percent of the nuclear warheads in a major Soviet first strike.

The four-page secret document intended to be the most authoritative single statement of SDPs aims, accepted the view of SDI officials that even this limited defense would help deter a Soviet attack.

wrong, and the Soviet Union were to initiate a major first strike, the system the Pentagon now envisions might stop only 1,500 nuclear warbeads, allowing as many as 3,500 to penetrate, wreaking devastation on U.S. and allied territory. SDI officials say this limited sys-

tem could be deployed beginning in 1996 at a cost of up to \$150 billion in current dollars, double the expense they predicted last year.

Many scientists and military experts, bowever, question whether the SDI program will be able to achieve even the scaled-back goals. U.S. officials said the Kremlin might have sensed the course of internal U.S. decision-making over SDI and predicted that Mr. Rea-

gan's dream would be abandoned. causing Moscow to sharply tone down its public criticism of SDI. Lieutenant General James A. Abrahamson, director of the SDI program, last week described the Joint Chiefs' secret endorsement of

sile defense as "a very important milestone for us." In part because of scientific

See ARMS, Page 6

__ibya and Chad, Prepared for War, ook to Talks Over Disputed Border

By James Brooke New York Times Service

DJAMENA, Chad — Six piles after a cease-fire halted the

ya-Chad war, 10,000 Chadian ps face 12,000 Libyans in the hite over the Aozon Sup, a -- a claimed by both countries.

In the Libyan side, construction . ws are completing two new deairstrips and border bases are ted with barbed wire, mine is and three-meter-high (10walls of sand.

In the Chadian side, an arms ift from this capital has been so tic that two of the sub-Saharan putry's three transport planes e crashed since January because

runs delivered safely to north-Chad include U.S.-made Stingmti-aircraft missiles, the first

Kiosk

Belgian Effort In a Cabinet

BRUSSELS (Reuters) BRUSSELS (Reuters) — ing Baudonin of Belgium sked Jean-Luc Dehaene, a lemish Christian Democrat, o form a government Sunday an effort to end a five-nonth political crisis. In a tatement carried by the na-onal news agency, Belga, the alace said Mr. Debaene had



Ir Henry Phonb, on the roblem of feeding the hird World.

Page will transfer some of its Licear tests in the Pacific om Mururoa Atoll to a neariusinees/Finance

MF economists revised upand their growth estimate for te seven leading industrialed nations.

pecial Report

* Finland, cooperation and ampetition with a berrier-≈ Europe is the overriding

CHAD

supplied by the United States to an African country. With both armies rearmed and ready attention is focusing on a chance next month to avoid renewed war through diplomacy.

Libya's leader, Colonel Moam-Senegal, with his adversary, President Hissene Habre of Chad. To ease what could be a tense encoun-Unity is counting on the atten-dance of the leaders of six other African states - Algeria Camer

Util recently, Labya played what Africans called the "diploma-cy of the empty chair," refusing to meet with Chadian officials to disnot recognize Chad's government. But last week, Libyan officials ndicated that their leader would attend the meeting.
While no Chadian official or

Western diplomat interviewed here professes to understand Colonel Gadhafi's personality, several specplated that the Libyan may attend the meeting in an effort both to avoid war with Chad and to improve his international image.

Since the cease-fire, there has been no major fighting in northern Chad, the seeme last year of beavy Chad, the scene last year of beavy Libyan losses. About 7,500 Libywere killed or captured and mar Gadhafi, is to meet in Dakar, \$1.5 billion worth of equipment destroyed or captured, according to Western diplomats.

There has been a surge in harasster, the Organization of African ment by Libyan soldiers and Liby-unity is counting on the atternal ment by Libyan soldiers and Libyan soldiers an

See CHAD, Page 6

Trade Zones Assailed For Wider U.S. Deficit

By John Meehan

seemed like a good idea. Congressional New Dealers, eager to create jobs in the midst of the Great Depression, decided to take steps to encourage international trade. One of the more modest results was the Foreign Trade Zones Act that lawmakers hoped would help out ports of entry by expanding such activities as warehousing and transship-

Little did they realize that more

than 50 years later this piece of legislation would be more popular than it ever was and decidedly more controversial than ever in-

region as a special tariff consider-

Now, faced with the likelihood

of uncomfortably high trade defi-

cits for years to come and accom-

panying protectionist passions,

trade zones have become the focus

of mounting criticism from mem-

bers of Congress, trade groups, la-bor unions and companies fearing

instead of promoting balanced trade, the critics contend, the zones

have encouraged imports and actu-

ally climinated more American

flared anew last month when the

than they created. The debate

their cash flow.

foreign competition.

International Herald Tribune sion released a study man released about NEW YORK — In 1934 it trade zones have created about 4,400 jobs in auto assembly plants, but contributed to the loss of an estimated 14,600 jobs in the U.S. anto parts industry.

the recent improvement in the trade deficit will overshadow the trade zone controversy," said Ste-

See ZONE, Page 17

The plan is the outgrowth of the 1985 and 1986 congressional bear-U.S. International Trade Commisings that followed a study by the General Accounting Office, which found that up to 61 percent of Americans abroad were not filing U.S tax tax returns.

A spokesman said that there is,

no time limit for tracking down "A lot of people are hoping that nonfilers. She said that the statute of limitations for most tax offenses is three years from the date the seas taxpayers. return is filed, but if a return is not

rum. There is also no statute of limitations for criminal fraud.

WASHINGTON - Spurred by congressional concern that many S. citizens abroad are not paying their taxes, the Internal Revenue lined the plan in an interview. Service is working on a five-year plan to identify, analyze and docu-The program began, Mr. Bergh-erm said, with the establishment a ment those taxpayers and increase

year ago of the International Divicompliance, according to two sesion to deal with Americans abroad and foreign lax issues. The plan is primarily aimed at Before this, he said, tax data on

identifying those overseas Amerioverseas filers were scattered cans who are not filing U.S. tax long the various revenue disreturns. But it also involves steps to make sure that those who do file their returns through the system, or to analyze overseas data. Audits were handled by the districts in which the returns were filed, he

> The establishment of the International Division centralized these functions and made it possible to start building a data base on taxpayers abroad.

nected with the U.S. government refuse to comply. The fines will be The IRS deputy assistant commissioner. Donald E. Bergherm, about 275,000 of their tax returns. same mechanisms it uses for coland the director of planning and research, Richard W. Hays, outthe United States, the service said that to date there have been no would expect about 840,000 re- court challenges to the law.

said, and some taxpayers may file from U.S. addresses. Others, such tricts. There was no way to track as U.S. Social Security recipients, may not have to file returns at all. With the data available now there is no way of telling, he said. To determine the true filing rate, the service must come up with a master list of overseas taxpayers.

To develop this list, Mr. Bergherm, who is second-in-command of the International Division, and Mr. Hays plan to use a provision of the The next step, Mr. Hays said, is the ongoing effort to identify over-that every American who gets or 1986 Tax Reform Act that requires renews a passport provide the ser-There are an estimated 2 million vice with a mailing address and filed, the statute does not begin to American citizens living abroad social security number. The law

Within five years, this procedure, Mr. Hays noted, however, that if allowed to stand, should give the this does not mean that more than service a workable list of overseas two-thirds of overseas taxpayers taxpayers. In 10 years - by which are not filing returns. The 2 million time all U.S. passports now in use base figure may not be accurate, he must be renewed — there should be an almost complete list of Ameri-Another goal of the plan, Mr.

Hays said, is to develop valid profiles for overseas taxpayers. These computer models enable the service quickly to spot potential problem returns for further checking by the examiners. Because of the special tax provisions that apply to Ameri-cans abroad, the profiles used for returns in the United States are

Mr. Hays said that the first step will be to discover why those pro-files do not work and proceed from

See IRS, Page 6

On Moscow Street Corner, a Read-All-About-It Newspaper

By David Remnick Washington Post Service

MOSCOW - Alexander Podrabinek stood on a street corner Sunday handing out copies of the most objective, tough-minded newspaper in the Soviet Union. And for all the talk about glasnost, or openness, and a vastly improved official press, Mr. Podiabinek's paper is one he prints himself, an underground journal called Express-Khronika.

Usually, Mr. Podrabinek enjoys his Sundays passing out papers and talking with his readers. But this Sunday, he was beaten by the KGB. Several officers descended on Mr. Podrabinek and pushed him around, hit him a few times."They

gave me the message," be said. Slight, bearded, 35 years old, Mr. Podrabinek spent two terms in Soviet labor camps for writing about the abuse of psychiatry in the Soviet Union,

Much of Disputed Soviet Area on Strike

By Robert C. Siner International Herald Tribune

nior IRS officials.

pay the full amount due.

mous Region, Soviet press re-ports said Sunday.

The territory, populated main-ly by ethnic Christian Armethe neighboring and predominantly Moslem republic of Azerbaijan smce 1923.

The Communist Party daily Pravda and the government daily Izvestia said the stoppage had closed most factories in the regional capital. Stepanakert.

"Enterprises in the town are not working, apart from essential sectors, such as bakeries, dairies, water supply plants and trans-port," Izvestia said in a report

miles) outside the Moscow city limits. "So at this point in my life," he said, "I don't

worry much if a cop tells me to get rid of my Since it began last August, Express-Khronika

The state "suggested" that he leave the country, but he refused.

Even in prison camp, he continued working as

an activist. He must oow live 120 kilometers (75

has published dozens of scoops: a story on the secret repression of Crimean Tatars in Uzbekistan, a debate on Jewish life and choices between a Jew who eventually left the country after being denied permission to emigrate and an activist who prefers to stay in the Soviet Union, reports on demonstrations and movements in cities that foreign correspondents can rarely get to, a fascinating interview with one of the chief organizers of the Armenian protests now going on who said that last month's "pogrom" against Armenians io the Azerbaijan city of Sumgait was led by organized Azerbaijani gangs from ontside the city.

"Above all, we get the news out fast, and I think that has been our greatest accomplishment," Mr.

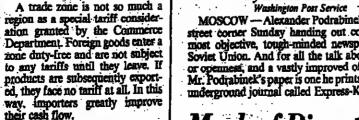
service. Pure information, unemotional, like you might get from AP or Reuters," two major Western

The current issue features a detailed report on Soviet troops snuffing out Saturday's planned mass demonstrations in Yerevan, the Armenian capital, a report on nationalist rallies in Riga and Tallinn, a description of how a political prisoner. Boris Mityachin, was moved from the Perm prison camp to Christobal, which is even worse. "That's where Anatoli Marchenko died," one staffer said, referring to an early dissident.

Every Saturday, Mr. Podrabinek and five other editors assemble at the three-room apartment of Tamara and Sasha Kalugin, an artist whose stutter was one of the pretexts the state gave for locking him away in a psychiatric bospital. Mr. Kalugin's drawings, which have been shown in the West, make a surreal backdrop for the makeshift news-

As in a typical Western newsroom, there are

See PAPER, Page 6



MOSCOW — Strikes to pro-test the Kremlin's refusal to meet demands by ethnic Armenians for boundary changes have brought all but essential industries to a halt in the disputed Nagorno-Karabakh Autono-

The official press also acknowledged that inadequate re-

porting of disturbances connected with a campaign to return control of Nagorno-Karabakh to Armenia contributed to violence in which at least 32 people have

nians, has been under control of

See ARMENIA, Page 6

Third World Hunger: Dumping Food on Poor Is No Solution

Sir Henry Plumb of Britain, a farming ex-pert and president of the European Parliament, will be in the chair when more than 300 delegates and observers from the United States, Western Europe and the developing countries meet in Brussels April 6-8 for a World Food Conference, the first since 1974. He spoke in a telephone interview with Barry James of the International Herald Tribune.

Q. The West is drowning in food surpluses while millions go hungry in the Third World. Is there no way that overproduction in one part of the world can be the solution to famine in another part?

A. A lot of the overproduction in the developed world is sent to the developing countries, and that is seen by many people to be the salvation of the Third World. In fact, it is quite the opposite. The dumping of food into developing countries may help in the very short term but certainly in the longer term it sets them back.

Q. Will the conference be looking at the link between surpluses and famine?

A. Yes. And first on the agenda is an item that might bring shock and horror to a number of Europeans and Americans — how to bring down agricultural support in the West. This is in response to the American announcement that over a 10-year period they will eliminate farm subsidies.

O. Whose idea is the conference? A. The initiative came from the European Par-

Panama Military Must Topple

liament. Bob Geldof came to Strasbourg when the world was concerned about the drought to Ethio-pia. He said "is that it? Is that as far as politicians are going to go?" I said no. The parliament would

O. Yet, the Ethiopians are starving again. A. The reason is yet another drought in Ethiopia coupled with a major problem of distribution. But

MONDAY O&A

food aid is really not the answer. It's a short-term solution to help in times of drought, floods or devastation. What is really needed is the kind of aid that helps people help themselves.

Q. Who will be coming to the conference? A. Representatives from international organizations, governments, churches, UN agencies, the developing countries, professors and economists.

Q. It sounds pretty high powered. But some people say Third World farmers get too much advice from Western experts. Are you bringing anyone from the grass roots to put their view?

A. Very much so. We shall bring people who are directly involved in Africa, who see the effect that dumping food has on their business and ability to grow food for themselves. We shall give them every opportunity and facility to put their view. The conference is the first of its kind in that it will bring together a combination of politicians, heads of organizations and people who are on the receiving

end of development or the lack of it, as that may control 60 percent of the world's food trade, what

Q. The last world food conference in 1974 was completely inter-governmental. Did anything memorable come out of it?

A. Very little. I'm not hlaming anyone, but I think we can learn from the many mistakes since then. Since 1974, the emphasis has been on food aid. It now must be on direct income aid, that allows for real development by the people them-selves under the guidance of those who know how they can best use the aid to cultivate and grow food for themselves, which they can do if they have the know-how, the facilities and the tools.

Q. What will happen to the conclusions of the

A. They will go directly to GATT [the General Agreement on Tariffs and Trade], which has unanimonsly placed food on its agenda, and also directly to all the governments concerned.

Q. Why is GATT so important?

A. A major problem is how we can manage the

market. The food stockpile in America is five times bigger than it is in the EC, and in that situation we have to get a meeting of minds to avoid trade wars between the developed conotries, while recogniz-ing that countries like India, China, Zimbabwe and 14 other African nations are now food exporters

where they were importers before.

Q. The United States and the EC between them

ought they be doing to restore balance?

A. We have to define policies that will not put everyone out of business in rural areas. We must find alternative uses for land. We must try to match supply and demand to avoid dumping in Third World countries and then give them all the support we can to grow for themselves. So we shall be asking how we can bring down farm support levels, and what effect this will have on individual farmers. It may well be there are many alternatives that have not been looked at properly, without going on for ever and a day producing more and

Q. Can the American proposal to abolish farm subsidies be accomplished?

A. It cannot be achieved over a 10-year period, in my view, but I don't think that matters. What does matter to farmers is that there are long-term goals so that they know which way they are going.

If you reduce price support, the tendency is to increase production in order to maintain income. I believe we should manage the market through various forms of government intervention. The Americans believe more in free trade. So it's a question of getting our act together between the free trade approach and the fair trade approach.

Q. There seems to be little coordination, howevbetween the United States and the EC. A. Which is exactly why we need a conference. I would be be starry-eyed if I said it will solve the problems, but at least it will air them. I hope it will come up with some sensible ideas.

WORLD BRIEFS

Chirac Denies Hostage-Release Des

PARIS (AFP) — Prime Minister Jacques Chirac said Sunday the release of a man of Lebanese origin held after a string of Paris hone in 1986 was not linked to attempts to secure the release of Pr

Mohammed Mouhajer was freed Thursday in a move that decided by the judge." Mr. Chirac said on radio and television. He the release of Mr. Mouhajer, a French national, who was he connection with bombings in which 13 people were killed, "was no directly nor indirectly connected with the problem of French or fa

The freeing of Mr. Mouhajer, arrested a year ago, has been w interpreted as a possible sign that the French hostages may so released by their pro-Iranian captors. Such an event would be regard a major boost for Mr. Chirac's chances in the coming preside

4 French Leftists Call Off Prison Fa

PARIS (Reuters) — Four imprisoned leaders of the extreme is group Direct Action have ended a 116-day hunger strike but pis continue their campaign to win political prisoner status, their lawye

Said.

The four gave up their fast on Friday, the lawyer said Saturds Justice Ministry spokesman said the government had made "no dea promises" with the four, who had simply "returned to reason."

Jean-Marc Roullan, Nathalie Menigon, Joëlle Aubron and Get Cipriani began refusing food Dec. I in an attempt to force in authorities to put an end to months of isotopin high security jails. were arrested more than a year ago and have been sentenced to more 10 years in jail on conspiracy, attempted manslaughter and ar

China Airs Criticism of Governmen

BELIING (Reuters) - The official Chinese news agency has public EDING (Reiners)—The original chimese news agency has public criticism of the central government voiced by delegates to the Name People's Congress over the weekend. Surprised Western diplomats: the remarks could be seen as an attack on aspects of policies of the set. Chimese leader, Deng Xiaoping.

Grievances about minority rights, low pay and high prices, expres during discussions of the next five-year plan, were reported by

Xinhna news agency.

Diplomats noted that the Sunday edition of the Communist P. newspaper, People's Daily, defended the need for entrepreneurs.

Xinhna quoted an official from one of China's more developed areas. port of Qingdao, as saying current policies would mean job losses,

Vanunu Is Sentenced to 18 Years

JERUSALEM (Reoters) -Mordechai Vanunn was sentenced Sunday to 18 years in prison for passing secret Israeli atomic information to a British newspaper. A three judge court, which convicted the former nuclear technician of treason and espionage last week, could have imposed a life sentence. Mr. Vanunu, 34, worked at Israel's secret Dimona nuclear reactor

for nine years before going to The Sunday Times of London in September 1986. Uzi Hasson, the pros-ecutor, said the court considered the circumstances in sentencing Mr. Vammu to only 18 years. He did not elaborate. Before the sentence was im-

posed, the court accepted a petition by 20 scientists, including 12 Nobel laurentes, appealing for leniency.



Mordechai Vanunu

TRAVEL UPDATE

Channel Ferry Is Trying to Cut Wait

DOYER, England (AFP) — The Sealink company put a second-ferry on the cross-Channel route from Dover on Sunday, in a nt-expected to reduce waiting times for passengers because of a strike, a officials said.

The recommissioning of the St. Christopher, after an annual service means that passengers with reservations could hope to leave with only hours' delay, a spokesman said. Some 500 trucks were still expected

have at least a 36-hour wait for the crossing as a strike continued by 2 personnel of Britain's P&O ferries. Hovercraft services were unaffect Portugal is facing a show of union nursele on Monday when more if
head of state, Eric Arturo Delvalle,
settle accounts and to make cash problems had "deep political
two million workers have been called out on strike against planned is
the many transfer or the m

Saturday morning, the National Banking Association said in a feets of public-sector job actions.

An avalanche warning was lifted Sunda An avalanche warning was lifted Sunday in the Swiss Alps, author 2 Zermatt said. The warning was lifted Sunday in the Swiss Alps, author 2 An avalanche warning was lifted Semony in the Swiss cape, among the lift in Zermatt said. The warning was imposed late last week. Some road to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of Valais, including the road to Zermatt, reognitive to the southern canton of the souther

Hundreds of passengers were stranded in Cyprus over the weekend? strike by Cyprus Airways staff. The Labor Ministry is trying to medial the dispute, which began when crew members refused to work boths of a flight to Hamburg without overnight rest. (Rese

This Week's Holidays

DOONESBURY .

COMANDANTE LESS-THAN-ZERO TAKES EARLY RETTREMENT.

HASTA LAZETA

COMANDO

HARD TO SAY,

REALLY...

Banking and government offices will be closed or services curtailed the following countries and their dependencies this week because national and religious holidays:

MONDAY: Libya; Madagascar, Uruguay. TUESDAY: Central African Republic, Madagascar, Taiwan, Uruguay.

WEDNESDAY: El Salvador, Guatemala, Mexico, Norway, Uruguay. THURSDAY: Andorra, Argentina, Brazil, Colombia, Costa Rica, Dema-Eciador, El Salvador, Finland, Guatemala, Honduras, Iceland, Malta, Masil Nicaragua, Norway, Panama, Paraguay, Peru, Philippines, Portugal, Spain, G. guay, Vatican City.

guay, Vatican City.

FRIDAY: Andotra, Argentina, Anstralia, Bahamas, Barbados, Belizz, Bel Bermuda, Bolivia, Botswana, Brazil, Britain, Brunei, Burma, Cameroon, Cangle Colombia, Costa Rica, Denmark, Dominican Republic, East Germs Ecuador, El Salvador, Finland, France, Gambia, Ghana, Gibraltar, Grenada, Gel mala, Guyana, Hain, Honduras, Hong Kong, Iceland, India, Indonesia, Mireland, Ivory Cosst, Jamaica, Kenya, Lebanon, Liechtenstein, Macao, Madagas Maiawi, Malta, Mexico, Monaco, Namibia, Netherlands, New Zealand, Nicasal Nigeria, Norway, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Pergal, Puerto Rico, San Marino, Sierra Leone, Singapore, South Africa, Spais, Lanka, Surinam, Swaziland, Sweden, Switzerland, Tanzania, Uganda, Urusta Vatican City, Venezuela, West Germany, Zambia, Zimbabwe.

SATUIDDAY: Beine Bassuana Respit Chile Costa Rica, Prance, Gibi.

SATURDAY: Belize, Botswana, Brazil, Chile, Costa Rica, France, Gla-Guatemala, Hong, Kong, Iran, Israel, Macao, Malawi, Mexico, Papua New Guig Spain, Uganda, Vatican City, Zambia, Zimbabwe. SUNDAY: Djibouti, Guinea, Iran, Macao, Syria.

Noriega, U.S. Latin Aide Says tect Americans in Panama, the uting food to the needy in areas bases, and a treaty right and ohliga-tion to protect the canal and we will in another step, the government WASHINGTON — Assistant Secretary of State Elliott Abrams said Sunday that it is up to the Panamanian military to force Genwarned the owners of supermarkets, restaurants and other food eral Manuel Antonio Noriega to Docks and Mills Seized sinesses that they faced the loss David E. Pitt of The New York of their operating licenses if they Times reported earlier from Panama did not reopen. The minister of health, Francisco Sánchez Cárdeleave his country. "Ultimately, I think it's going to have to be the guard itself that gets rid of him." Mr. Abrams said, renas, said the long-term storage of food posed a health threat whose ing military muscle and threats of ferring to Panama's military leader. Mr. Abrams, the State Departlegal action, has moved swiftly dur- seriousness would have to be ment official in charge of Central ing the weekend to try in force an and Latin American policy, ac-end to the economic paralysis that knowledged in a television inter-has gripped Panama for weeks. gauged by inspectors. The actions came as a team of officials from the International view that he was surprised that Troops were dispatched over the Red Cross arrived in Panama to General Noriega had remained in power despite U.S. opposition. weekend to occupy the Balboa docks, at the Pacific entrance to the begin an assessment of the food situation. The shutting of super-"I guessed wroog," Mr. Abrams said. "I thought he'd be gone by Panama Canal, which were idled markets and the lack of cash have by a strike ocarly two weeks ago. It also took control of the flour raised fears of widespread hunger. Although many middle-class famoow. I think he's clinging at this point by his fingertips." It also took control of the flour industry, promising to sell the flour supplies to Panamanians, and ilies stocked up on food in anticipa-tion of the strike, church relief general would be gone in "a matter warned banks, stores and other workers said the food situation was businesses that they would face deteriorating in poorer areas. General Noriega has been iodicted in the United States on drug trafficking charges. The Reagan sanctions if they did not reopen. Shortly after midnight Friday, truckloads of troops occupied the The moves led to emergency meetings among hankers and among members of the National

A mother in Panama City collecting her daily ration of four eggs and a bag of rice.

manian banks, which have been shut since March 3, that the government would use "all legal resources to assure their reopening."

The bankers rejected the call. Mr. Solis Palma made it clear the government expected the banks to

statement: "We do not agree with an indefinite general strike by mathe Noriega government that it jor businesses and strong economic should use our funds to solve a sanctions by the United States, has been unable to meet its payroll obligations to more than 140,000 civil

The bankers said that Panama's servants.

ligations to more than 140,000 civil

Some Contras Disagree but Most Sandinists Applaud Truce President Oscar Arias Sánchez of Costa Rica, the Sandinists had called the cootras "merce nary beasts" and swore they would never hold political talks with them. The power ment with the contras to the costas to

By Julia Preston Washington Post Service
MANAGUA — Leaders of the Nicaraguan rebels encountered angry resistance from some followers in the 60-day cease-fire agreement they signed last week. But Sandinist officials have had an easier time gaining support for the cease-fire in Nicaragua. In Miami, leaders of the exile

administration has demanded that

he step down and go into exile. The U.S. government has used

economic pressure to force that

step and has expressed support for

the citizen's campaign to remove the general. The United States has

embargoed the transfer to Panama of certain funds held in the United

Mr. Abrams, who called Panama

community charged that contra forward interview with the contra negotiator Alfredo Cesar. On Fri-

In Managua, the Sandinist-dom-inated National Assembly unanimously approved on Saturday a gradual amnesty for political prisoners that was mandated by the pact signed in the southern Nicaraguan border town of Sapoa. Members of the Sandinist Na-

tional Liberation Front, the governmeot party, welcomed the chance for relief from the six-year war more readily than some top leaders had expected.

"I was really satisfied when theard Daniel Ortega announcing the accord," said Isabel Arauz, organization secretary of the Sandinist women's association in Managua, referring to President Daniel Ortega Saavedra. "Our officials talked to the contras because they know our people long for peace." The pact, which introduced the

first truce in the war, was signed after three days of talks by delegations headed by the defense minister, General Humberto Ortega Saavedra, and Adolfo Calero, a director of the Nicaraguan Resistance, the contra alliance.

Uotil August, wheo Central American leaders adopted a regional peace process authored by



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PACIFIC WESTERN UNIVERSITY 600 N. Sepulveda Blvd., Los Angeles, California, 90049, Dept. 23, U.S.A.

Civie Crusade, a coalitioo of more

than 200 business and municipal

government has been unable to saw 30 to 40 people taken away in meet the military payroll.

Asked about any possible threat

A short time later, soldiers raid-largest city, has strangled com-

to U.S. citizens in the country, Mr. ed a nearby mill operated and prinmerce at the city's free zone, which Abrams said the United States in-cipally owned by General Mills of handled more than \$4 billion in tends to project the 50,000 military the United States. The troops goods last year.

people and civilians there.

seized an additional quantity of the bairon document and detained an undeter"If there is a threat from General flour and detained an undeterNoriega, it woo't last long," be mined number of mill workers.

Noriega, it woo't last long," be mined number of mill workers.

are principally responsible for the maintenance of ships in transit seized an additional quantity of

to protect its interests in Panama. flour to Caritas, a Catholie relief civilian installed by General Nor-

We have an ohligation to pro- organization that has been distrib- lega last month after the elected

"completely broke," noted that its large quantity of flour. Reporters cashed in full.

Mr. Abrams was asked whether on the oorthern outskirts of the through the canal.

the United States would use force capital, had pledged to donate

groups who vowed six days ago to their bimonthly paychecks, close their doors until General It was not clear whether the mili-

Noriega stepped aside.

Shortly after noon Saturday, work the docks. The 850-member four truckloads of riot troops arBalboa dockers union, among the

rived at the Harina de Panama, one most militant of the public workers of the two principal flour mills in groups, has said its members would

the country, and took control of a stay off the job until paychecks are

On Friday, both mills, which are maintenance of ships in transit

The party tone softened as soon as serious bargaining started. In Barricada, the Sandinist daily, the "mercenaries" became "irregular forces" once the accord was signed.
Barricada published a straightday, an assembly of about 100 top

Sandinist militants pledged their "total support" for the pact. "We're not turning over power to them," Mrs. Arauz said. "We want

President Manuel Solis Palma, a

Balboa docks. Loogshoremen at the docks walked off their jobs

March 14 rather than accept a gov-

ernment offer to cash a small por-

agreement with the contras to the of the cease-fire process.

States," the deputy foreign minis- Sandinists would live up to it. Othscaled in the government delegation at Sapoá, said. The U.S. Congess voted Feb. 3 to halt contra

remained. The Nuevo Diario news-paper, which supports the govern-tion, said, "The Sandinists can't ing, this is time to increase it," an ment but is not under party discipline, called the contras "fords of lies" in announcing the Sapoá accan the contras. Some of us have comply; rhetoric is hard to change their best ally, Ronald Reagan."

But Mr. Arguello charged contra negotiators at Sapoá had "betrayed comply; rhetoric is hard to change their best ally, Ronald Reagan."

extent they have broken their umhilical eord with the United the pact but were skeptical that the with fighters in the field. A temporary truce has been in effect since

id. Roger Guevara, spokesman for with "false signatures" and boasted Some dissident Sandinist views the Democratic Conrdinating of recent contra attacks.

tent in the Nicaraguan exile a key exile group, said in Miami community and communicating that the accord jeopardized the whole contra movement" and left the contras as "sitting ducks" in Mr. Calero and Mr. Sanchez ap-

neared to have calmed some spirits during an all-day session with the 54-member Nicaragnan Resistance assembly, which must ratify the

France to Shift Some Nuclear Tests to a 2d Site

By Michael Richardson ternational Herald Tribune

CANBERRA, Australia - France will transfer some of its nuclear tests in the South Pacific from Mururoa Atoll to a nearby island to increase safeguards against leakage of radioactive material, according to the commander in chief of the French Navy in the Pacific.

The commander, Vice Admiral Pierre Thireaut, said in an interview Friday that the move would prevent serious fractures that repeated underground explosions might eventually cause in the rock structure of Mururoa. The more powerful blasts in the test program will now take place on the island of Fangataufa, he said.

"Our first target is safety," he added. "We do not accept anything that is unsafe." Officials of Australia, which opposes the French nuclear tests, said this was the first official word from France

that nuclear testing would take place on Fangataufa as well as Mururoa. They said they were not surprised by the decision. "It tallies with our assessment that a time would come

when Mururoa could not take any more big blasts," an Australian officials said they had records of two underground nuclear tests on Fangataufa in the late 1970s. They said the admiral's statement appeared to be part of an effort by the French government to improve relations with countries in the southwestern Pacific that have been critical of France over nuclear testing and other

Admiral Thireaut said the underground tests on Fangataufa, about 20 nautical miles from Mururoa, might start He emphasized that the impending move to Fangataufa was a precautionary measure. He asserted that there was "absolutely no problem of pollution of Mururoa. It is As commander of military forces in French Polynesia,

Admiral Thireaut is in charge of the nuclear testing program. He left Australia on Sunday after several days of talks with senior Australian military officers. The reduction in the test load on Mururoa will be seen

as an official French acknowledgment of concerns expressed by some scientists, and virtually all independent

'Having Fangataufa will give us more versatility to choose the best location for each test.'

in chief of the French Navy in the Pacific. and self-governing countries in the South Pacific, about

Vice Admiral Pierre Thireaut, commander

ar testing in the basalt core of the atoll. The islanders fear radioactive leakage inm the sea, which they say could contaminate the marine life that provides one of their main sources of food and income. The move to Fangataufa may be welcomed by countries in the region as a genuine French attempt to make the tests safer, but it seems unlikely to do much to reduce opposition to the testing, which has been a major obstacle to closer French ties with Australia, New Zealand, Papua

possible environmental consequences of continued nucle-

New Guinea and some South Pacific islands. Admiral Thireaut said it had been decided "some years ago" to shift the more powerful tests from Mururoa to Fangatanfa.

"Having Fangatanfa will give us more versatility to choose the best underground location for each particular

About 90 underground tests have been recorded at Mururoa by seismic monitoring stations in New Zealand and Australia since France began the tests in 1975 after

ending nuclear testing in the atmosphere over the South While France has maintained a tight security screen around its ouclear test program at Mururoa, it gave tours last year to leaders of several island states in the region. "I do not say that they agree with our tests," Admiral Thireant said. "But after their visit to Mururoa and our explanation, they are no longer anxious about the safety

He said that for the last two years all tests at Mururoa had been under the lagoon that covers the center of the

Previous tests nearer the edges of the atoll, he acknowledged, may have contributed to underwater landslides of sections of coral limestone on the flanks of Mururoa. After explosions, there had also been minor subsidence of surface limestone immediately above test cavities that were bored between 800 and 900 meters (2,600 to 2,900 feet) into the basalt core of the atoll, he said.

An independent team of scientific experts from Australia. New Zealand and Pacific island countries that made an inspection of Mururoa in 1983, at the invitation of France, reported finding no evidence of leakage of radioactive material into the sea.

THE H

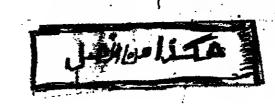
._ '2"."

uti, Guinea, Iran, Macao, Syria.

Source: Morgan Guaranty Trust Co., Reases

TONIGHT ME HONOR COMMON! LESS-THAN-ZERO, THE FINEST CONTRA FIELD OFFICER OF HIS GENERATION! HE LEAVES US AFTER EIGHT "





CAMPAIGN BASICS / Michael S. Dukakis

The Race So Far

Won the New Hampshire primary and collect-Won the New Hampshire primary and concerted the most Democratic delegates on "Super Tuesday" by winning the big states of Florida and Texas, in addition to Maryland and his home state of Massachusetts. Has a big organi-Democrats. Must win remaining big states occurrence the nomination before the sively to capture the nomination before the sively to capture the nomination before the sively to capture the nomination before the sively and neck with the convention. Holds 581 delegates of 2,082 needed to win, and remains neck and neck with the Reverend Jesse L. Jackson.

Profile

Democrat. Age 54. Lawyer. In his third term as governor of Massachusetts. Son of Greek immigrants. Elected governor in 1974 but lost the erants. Elected governor in 1978. party nomination to a conservative in 1978.

Three years as moderator on "The Advocates," national public affairs television program. Remational public affairs television program. Regamed the governorship in 1982, overseeing explosive economic growth in the state by emphasizing lower tax rates, a one-time anmesty for tax rates, in training and welfare changes for tax evaders, job training and welfare change. Served in the army in Korea after the war. Cool and austere. Fluent in Spanish. Lacks foreign and austere. Fruent in Spanish. Lands policy experience. By gubernatorial proclamation, vindicated Sacco and Vanzetti, the anar-

Verbatim

Much of the debate about the Reagan legacy will obviously focus on the massive budget deficit he will leave behind. And the next presidence had better be someone - who has balanced budgets, has made the tough choices and can make them again. We can't s.

As president I will not accept an America where some people do well while others are left behind.

In the future we want, there will be a difference between a defense budget that keeps growing bigger and real defenses that keep growing better. It will not be unpatriotic to keep growing better it was an agement — or a multibillion dollar fantasy called 'star wars' that unworkable and unnecessary and that hapto violate the ABM Treaty.

The next reflects frontier is the American mind. Let's schools that honor excellence and high the Let's make sure our children learn at as much science, math and foreign lan-as they do in Tokyo or Moscow.

It's to stop the shooting war in Nicaragua and tart the war against poverty and injustice and throughout Latin America.... The truth is that an arms race cannot be won; it an only be lost. What we need are defenses that defends us, instead of weapons systems eally defends us, instead of wear bankrupt and destroy us all."

.... 175

Foreign Policy: Opposes all contra aid; Massa-chusetts has barred its National Guard from training in Honduras. Says the U.S. has the right to stop a government in Central or South Their : America from subverting its neighbors. Emphasizes role of international organizations in foreign affairs, burnan rights considerations, readiness to use force against proven terrorist installations. Has mildly criticized Israel's handling of Palestinian protests. Would offer debt coordinated allied action in the Gulf to protect shipping lanes but opposed reflagging Kuwaiti tankers. Opposes what he says is a U.S. tilt toward Iraq in Gulf War, Wants worldwide ban on the sale of advanced weapons to the Third World. Favors tougher sanctions against South

Now Seems Under Control

WASHINGTON (NYT) - The campaign of the

"Ice quite different from '84," said Donna Brazile, a

eld organizer for Mr. Jackson in 1984 and now

country campaign manager of Representative Richard. Gephardt's campaign. "In 1984 we were always two

ays late or two minutes short of having delegates.

his time it's a more mature campaign and the ground

ganization is better. In 1984 we kept everything on by-5 cards. Now they have computers."

nn F. Lewis, a former political director for the



Africa and its withdrawal from South-West Africa (Namibia). Would halt aid to Angolan

Defense/Arms Control: Wants U.S. and Soviets to cut strategic nuclear weapons by at least half and to negotiate a ban on nuclear tests and hair and to negotiate a barr on nuclear tests and ballistic missile test flights. Supports INF Treaty. Seeks a strengthening of conventional forces by spending \$2 billion to \$3 billion for improved anti-submarine and anti-tank defenses and better troop training and supply capability. Opposes MX and Midgetman missiles, B-1 bomber. Would cut Strategic Defense Initiative funds to less them \$1 billions a week Would due. funds to less than \$1 billion a year. Would drop plan to build two more aircraft carriers but continue work on Stealth bomber. Believes \$10 billion to \$13 billion can be cut from the Reagan military budget.

Budget/Economy/Taxes: Supports spending cuts but does not believe major cuts are possible in domestic programs. Does not rule out new taxes but favors a crackdown on tax evaders, which he says defraud the government of \$110 billion a year. Opposes oil-import fee. To stimulate oil exploration, favors repeal of windfall

Trade: Has warned against protectionism and said presidential anthority in trade matters is sufficient. But also supports legislation passed by the Senate that would provide for a flexible presidential response in retaliating against countries engaging in specific unfair practices. Opposes favored-nation status for countries that deny worker rights, Backs temporary relief from foreign imports for selected industries.

Domestic Policy: As governor, steered state resources to salvageable businesses in depressed regions. Wants a self-sustaining fund to finance the college educations of needy students. Favors comprehensive health insurance, 90 days' notice to workers of plant closings and an increase in the \$3.35 minimum wage. Opposes mandatory AIDS testing except for military, convicts and some immigrants. Would establish education and job-training program for welfare recipients, including day care. Wants increased investment in roads, railroads, mass transit and water and sewer systems. Wants a \$500 million development fund for depressed areas.

Compiled by Paul Horvitz

U.S. Ending Supply of Stingers to Afghan Rebels

WASHINGTON - The Reagan administration is ending the supply of Stinger anti-aircraft missiles to the Afghan resistance in anticipation of a peace settlement in Afghanistan, according to diplomatic and other U.S. sources.

However, at least \$300 million worth of other U.S. purchased military supplies for the resistance, including 120mm Spanish beavy mortars and modern mine-clearing weapons, are being reshed to Afment that may bar outside aid to the resistance, the sources said.

administration nervousness, shared by even some congressional supmilitary ries are cut.

U.S. concern was heightened by an incident in June in which a local

In October, "pieces of a Stinger" were found aboard an Iranian gunboat involved in a shooting incident with a U.S. belicopter engaged in the American escort mission for U.S.-flagged Kuwaiti tankers in the

One source said be thinks there are probably "several bundred" Stingers still in the hands of the seven factions making up the U.S.-backed Islamic Unity of Mujahidin of Afghanistan, known as the Resistance Alliance.

ed Stingers to the resistance in early 1986, said he did not know if there had been a decision to stop supply-ing them. But he added, "Certainly we would not want the war to end with a lot of them unused."

mounted a campaign to overcome ed aircraft. Deprived of close air on Feb. 29 insisting that the admin-ly increasing quantity, quality and central Intelligence Agency opport, Soviet and Afghan ground istration must not "cease, suspend, sophistication" of military equip-

By David B. Ottaway

complex, shoulder-launched hearseeking missile, the mujahidin proved successful in shooting down made about the same time the Senscores of Soviet and Afghan-pilot- are approved a resolution, 77 to 0, Congress there would be a "steadi- months.

The decision to stop supplying Stingers apparently was made late last month. It reflects a general

Afghan guerrilla commander sold a number of the missiles to Iran, nr of much discussion within the adwars forced to hand them over unministration, with most explanations. Reports have put the none centering on Soviet troubles number from 16 to as many as 30. in Afghanistan and in its internal

Since the first Stingers went to ing accepted. the Afghan rebels in mid-1986, Among the proposals in this eat-more than 1,000 missiles have re- egory were: portedly been sent to the resistance and partly by the Pakistan Army.

The decision to provide Stingers to the Afghan rebels marked a sharp break in U.S. covert policy. which in order to preserve a cover for U.S. involvement, or "deniahility," by Washington, had previ-ously avoided sending U.S. arms, particularly first-line ones like the Stinger, to American-hacked

It was made after congressional

sition and persuade the administraunits proved less effective, and tion to help protect the Afghan guerrillas from Soviet aircraft and

more vulnerable. The program is now regarded by the administration to have been a Despite CIA and Pentagon significant factor in Soviet calcula-

doubts about their ability to use the tions to withdraw.

diminish or otherwise restrict" military supplies to the resistance "until it is absolutely clear that the tary problems they might face." Soviets have terminated their mili-

tary occupation."

ment for the resistance to "enable them to deal effectively with mili-

According to sources, the administration has earmarked \$300 mil-President Ronald Reagan, in a lion, and Saudi Arabia has pledged The decision to end the Stinger March 11 letter to the Senate maprogram appears to have been jority leader, Robert C. Byrd, a made about the same time the Sen
West Virginia Democrat, assured of military supplies in the next few

mortars and modern mine-clearing weapons, are being rushed to Afghanistan before a possible agree Kremlin Preoccupied With Afghanistan Manistan before a possible agree-

Shevardnadze, in Talks With Shultz, Put Conflict at 'Top of His Agenda'

By Don Oberdorfer

helicopter gunships.

Washington Past Service
WASHINGTON — Foreign
Minister Eduard A. Shevardporters of the resistance, about Minister Eduard A. Shevard-leaving a large number of Stingers nadze's discussions in Washington in the hands of Afghan factions last week fixed the dates for the that cannot be controlled after U.S. Moscow summit meeting May 29-June 2, but in almost every other respect the visit left relations between the two countries more troubled and uncertain than before.

The reasons why are the subject

In arms control, human rights and the conflict in Central Ameriand the conflict in Central America, Mr. Shevardnadze brought to Washington new proposals that U.S. officials view as crafted to sound enticing to the uninitiated but which have little chance of be-

· A U.S.-Soviet experiment in through Pakistan, where the guer- the Mediterranean next month, derillas have been trained to use them rided by the administration as impartly by former U.S. Army experts practical and irrelevant, in which neutron counters on hovering beli-copters would try to distinguish between nuclear-armed cruise missiles on ships and submarines and those with conventional warheads An international conference to limit major navies of the world.

Algnamstan, known as the Reistance Alliance.

Negotiating to begin in April
and an "open exchange" in May of
data between NATO and the Wara Texas Democrat, who played an saw Pact on land armies and their important role in persuading the armaments in Europe. The same administration to send sophisticatinformation has been the topic of fruitiess talks for nearly 15 years.

• Immediate meetings of U.S. and Soviet judges to exchange views on capital punishment.

 Soviet willingness to stop its flow of all but police-type arms to Nicaragua, if the United States will cease arms aid to El Salvador and other Latin American countries. "This was like a throwback to the

old days when they used to trot out the propaganda proposals instead of working on things seriously, said a State Department official who participated in the talks, noting little substantive advance in any area of discussion. On Afghanistan, Mr. Shevard-

supporters of the Afghan resistance nadze raised the issue with Secretary of State George P. Shultz in their initial conversation at the that had been expected to deal only

with agenda-setting.

And in his final meeting with

Mr. Shultz, Mr. Shevardnadze

made lengthy and emotional appeals over Afghanistan. The developer Donald J. Trump with a model of an earlier project.

There is no doubt in retrospect that Shevardnadze came with Af-WASHINGTON — President ghanistan at the top of his agenda tonald Reagan has told U.S. nego-rather than arms control or any-

case in private, nearly everything has been done as Washington demanded to arrange a Soviet pull-out: the political decision to withdraw made and announced; a short withdrawal period established starting from a definite and early date, with half of the Soviet forces to depart in the first 90 days; "private United Nations mediation for a future interim Afghan govern-ment approved; and all other U.S. and Pakistani conditions met except for what the visiting minister called somewhat imploringly

"this one last piece."

The final sticking point is the U.S. administration's insistence not hurt the administration's plan, that it will only terminate its milifor a space-based defense system. tary aid to the Afghan resistance if

In last week's discussions, Mr. Shultz reportedly said Washington

timing of a mutual aid cutoff or foreign policy move so far. mutual moratorium, but he was unyielding in insisting that U.S. ac-tico be balanced by a Soviet move.

Administration officials concede that the U.S. demand for a "balanced" cutoff is a recent development, but they insist it flows logically from previous policy.

Moscow takes a "symmetrical" men on Dec. 4, and was repeated step of terminating military aid to the following week in private by the Kabul government.

Men on Dec. 4, and was repeated the following week in private by Mr. Reagan during his Washington summit meeting with the Soviet leader, Mikhail S. Gorbachev.

The projected Soviet withdrawal NEWS ANALYSIS
from Alghanistan is widely recognized in official Washington as Mr.
Gorbachev's boldest and riskiest

While applauding the Soviet pullout, there is little disposition within the administration to assist Mr. Gorbachev at a cost to the political or military position of the Afghan resistance,

From the U.S. standpoint, the According to an official source, the Soviets are in a weak bargaining demand began in an off-the-cuff position on Afghanistan, having remark by President Ronald Reagan to network television anchor- announcing their pullout.

cials believe may be affecting the U.S.-Soviet elimate is the difficult halancing act confronting Mr. Gorhachev as he seeks in strengthen his domestic political position and to deal with serious ethnic unrest in Armenia and Azerbaijan.

The unrest in Armenia and Azerbaijan is of extreme political sensitivity inside the Soviet Union. This is nne topic that Mr. Shultz and Mr. Shevardnadze avoided: the U.S. position is that the nationalities issues do not involve Soviet international commitments and therefore are not part of the U.S.-Soviet dialogue on human rights.

U.S. Bishops Back AIDS Statement

NEW YORK - The top elected representatives of the Roman Catholic bishops in the United States have refused to set aside the policy statement on AIDS that they issued in December, but they have voted instead to bold a broad dis-cussion of the AIDS issue when all the bisbops meet in June.

Participants in a private meeting last week of the 50-member administrative board of the U.S. Catholic Conference said that there was no real support for backing away from the statement, which has stirred controversy with its willingness to tolerate the dissemination of information about condoms in AIDS educational efforts.

A bishop who attended the meeting said, "If they had taken a vote to rescind the statement, it would have lost overwhelmingly."

The 30-page policy statement dealt with questions of testing, research, health insurance and the responsibility of both government and the church to assist people offected by acquired immune deficiency syndrome.

Although rejecting a "safe sex"

approach to public education programs intended to prevent the spread of AIDS, the bishops policy information about prophylactic de-vices" might also be included in programs that stressed values and sexual abstinence outside marriage.

Reagan Presses THE HUSTINGS For START Pact he Jackson Swirl of 1984 Before Summit Democratic National Committee and Willie Brown,

speaker of the California House of Representatives.

Bush Cuts His Staff by Half WASHINGTON (NYT) — Vice President George Bush's presidential campaign has laid off almost 50 percent of its paid staff, campaign officials say.

Ede Holiday, the campaign operations director, said that this layoff of more than 140 employees had been long played as cost of the control of the control of the control of the cost of the control of the cost of the cost

st money than has any of his competitors. It has one so by merging the passion of a political moveient with modern techniques of campaign long planned as a cost-cutting move and that further cuts would be made in the remaining staff of about 160. The reductions are made possible, she said, because of Mr. Bush's overwhelming lead in delegate Much has been made of the transformation of Mr. ckson, the firebrand of the 1984 campaign who in - . - 188 has presented himself as statesman and con-

ience of his party. His campaign structure has been ansformed, too, from a chaotic swirl around the indidate in 1984 to a professional if still sometimes takeshift political machine in 1988. Gore Needs to Win in North

WASHINGTON (WP) - After reviving his presidential campaign with a new set of speeches and an impressive showing in the South, Senator Albert Gore Ir., a Democrat from Tennessee, must beat Governor Michael S. Dukakis in a major northern primary if Senator Gore's long-shot bid for the Democratic

nomination is to survive, Gore strategists say.

Fred Martin, Mr. Gore's manager, said: "Do we have to win a northern state? Yes. It goes without saying." While Mr. Martin and other Gore strategists The change in Mr. Jackson's campaign style reflects some degree the broader circle of advisers the indidate has this time. They include Bert Lance, a finer top aide to former President Jimmy Carter. declined to identify any showdown state, a number of sources close to the Gore campaign said the April 5 Wisconsin primary may be the first Northern

Ronald Reagan has told U.S. negotiators in Geneva to try to secure a thing else," said a U.S. participant strategic arms accord before the in the talks. And on this subject of U.S.-Soviet summit meeting in urgent importance in Moscow, Mr. Moscow, which starts May 29, the chief U.S. negotiator said Sunday.

"The realistic notion is we still As Mr. Shevardnadze made the case in points a point of the product of the chief U.S. negotiator said Sunday.

As Mr. Shevardnadze made the case in points a point of the points of the product of the chief U.S. negotiator said Sunday. "The realistic notion is we still

have lots of serious problems."
Max M. Kampelman said in a television interview, "but the president's instruction to the negotiators is a very clear one: Go for the gold. Try to do it if you can." He estimated there was a 40 percent to 45 percent chance that Mr. Reagan and the Soviet leader, Mikhail S. Gorbachev, would sign a START treaty at this meeting, and a 55 percent chance that such a

treaty would be signed before Mr. Reagan leaves office in January. Outlining areas of disagreement, Mr. Kampelman said Washington still insisted that an accord should

Trump Buys Plaza Hotel In N.Y. for \$390 Million

New York Times Service NEW YORK — The developer Donald J. Trump has hought the Plaza Hotel in Manhattan for \$390 million and says he plans to upgrade it into "the most luxurious hotel in the world."

He said in an interview Saturday that his wife, Ivana, would be presi-dent of the Plaza, with a salary of "\$1 a year plus all the dresses she can buy." Unlike most of Trump properties, which carry his name,

the Plaza will remain the Plaza. Mr. Trump said he bought the property Friday from the Texas in-vestor Robert M. Bass and Aoki Corp. of Japan after a hidding contest against a group including Philip Pilevsky and Arthur G. Cahen, two other Manhattan developers, and the Mandarin Oriental Hotel Group of Hong Kong. They bad intended to convert the Plaza partly intn co-op apartments.

The Bass group and Aoki took over the botel three months ago in their \$1.5 billion purchase of the Westin Hotels and Resorts chain from Allegis Cnrp.

Built in 1907 at 59th Street and Fifth Avenue, the Plaza became an instant success with the rich and famous. Its first guest was Alfred Gwynne Vanderbilt, son of Cornelius Vanderbilt, then the richest man in the United States.

The hotel, which has almost 1,000 rooms, was declared a New York City landmark in 1969.

On the Plaza's 75th birthday, Paul Goldberger, architecture critic of The New York Times, wrote: "It is surely New York's most beloved botel huilding, watched so carefully that a relocated lobby chair is likely to provoke a flurry of letters, and with good reason: It is the only hotel in the city that is as crucial a part of New York's architectural heritage as are such public build-ings as Grand Central Terminal and the New York Public Library."

Mr. Trump said he hoped to make the Plaza a five-star hotel within a year. The only Manhattan botel with that distinction today is the Carlyle. The Plaza is a mur-star

Ex-General Slain In Basque Region

VITORIA, Spain (AP) — A re-tired Spanish Air Force general was killed by two men as he left a church near Vitoria, where the autonomous Basque government is

located, a government official said. Officials said two men ap-proached Brigadier General Luis Azcarrate Pérez-Caballero, 81, as he left the Santa Maria church in Salvatierra and sbot him several times in the head.

No group claimed responsibility but police said it resembled killings by the Basque separatist organiza-



ROOMS FROM \$30

AMERICAN TOPICS

Governors Emerging As New Political Elite

Students of politics say the office of governor has become the most coveted elective post in the United States after the presiden-Ty itself. The New York Times reports. It was once considered an office of little power, the paper in some cases a refuge for scoped raters, hacks and goodtime Charlies; at best, a stop on the road to greater glory in Wash-

But now, as U.S. senators complain of growing frustration over land raising, budget battles, filibusters and procedural stalemales, governors are exerting this is because of the Rea-tera disengagement of the rederal government from many omestic programs, leaving the takes to take up the slack.

Various states in the last 30 lears have also given their govertions powers that were once disdributed among independent gencies and other elected offilengthened the governor's term to four years and lifted one-term

a year to compare notes and trade ideas, they radiate "an almost palpable sense of shared purpose and esprit de corps," the Times says. Larry Sabato, a political sci-entist at the University of Virginia who is an authority on the governors, says, "We speak so of-ten of the Senate 'cluh,' hut I think we've developed a gubernatorial club.

Howard H. Baker Jr., the White House chief of staff, surprised a burglar in the Baker study who was loaded down with some of the former Tennessee senator's expensive camera equipment and his presidential Medal of Freedom. Mr. Baker, 62, chased the burglar upstairs, downstairs and finally out the door, the burglar dropping most of his booty as he ran, but apparently hanging onto the medal un-til he escaped. The police arrested a man later in the evening about four miles (6.5 kilometers) away

"Being governor is the best job in politics right now," says Thomas H. Kean, the Republican governor of New Jersey.

When the governors meet twice

Notes About People

with some of the camera gear but without the medal. So President Ronald Reagan gave Mr. Baker a

replacement medal, making him "probably the only person who has received two Medals of Freedom," said the White House

spokesman, Marlin Fitzwater. "The sheer discipline required to do a play eight times a week and re-create the role fresh every night is completely opposed to movie and television technique." says Kathy Bates, who is starring Off Broadway in "Frankie and Johnny in the Clair de Lune." She says that to keep the role fresh, "you have to trick yourself that it's never happened before." The danger arises when the performer allows extraneous thoughts to intrude, like "It's a small house to-night," or, "How can I play this another six mouths?"

Short Takes

Honolulu County in Hawaii, comprising the island of Oahu and several small islets, is moving to relieve congestion in the city of Honolulu by creating a new mu-nicipality 20 miles (32 kilometers) west of Waikiki beach, long since a concrete phalanx of high-rise hotels, condominiums, shopping centers and parking garages. A two-mile stretch of shoreline has been set aside for office build-ings, an industrial park, family dwellings and shopping centers. A population of 150,000 is expected within 20 years. The town will be named Kapolei for a Ha-

waiian mythological figure who was sister to the goddess of fire,

The Great Lakes continue to recede after two years of recordhigh levels that caused hundreds of millions of dollars of shoreline damage. Lake Michigan, 18 inch-es (45 centimeters) above its 100year average only nine months ago, is now only a few inches above normal, as are Lakes Ontario and Huron. Lake Superior is below average, but Lake Erie is still 18 inches over. The drop is attributed to a lack of snow and rain in the winter and spring of 1986-87, which Malcolm Todd of the army Corps of Engineers called "the driest it's been here in

100 years."
Pre-cooked "heat-and-serve" convenience food spares time, work and mess, The New York Times says in an editorial, noting that Pilgrim's Pride Corp. is offering hard-boiled Easter eggs in red, blue, yellow or green. A com-pany spokeswoman said the messiness of coloring eggs was one of the things a parent dreads." The Times says that precolored eggs miss the point, the mess being "precisely what appeals to kids about this rite of spring. As with finger painting or molding clay — or mud pies the joy of egg dyeing is not the

product so much as the process."

Arthur Highee

A PLEA BARGAIN IN NEW YORK — Robert Chambers on his way to criminal court in New York. In a plea-bargain arrangement Friday, he pleaded guilty to first-degree man-slaughter in the slaying of Jennifer Levin and faces a sentence of 5 to 15 years in prison. A jury had been deliberating for eight days in the "preppie murder" case in which Miss Levin was slain while having sex with Mr. Chambers in Central Park.



Herald Eribune. Cribune.

Iraq Stands Accused

resorting to chemical weapons in its war with Iran. More than 100 Kurds—women. children and elderly people — were killed on March 16 in the Iranian-occupied world. Iraq signed in 1931, and now it violates both the letter and the spirit Halwhig. The instance of the independent of the control Halabja. The instrument of their death ar- of the treaty. The victims are not even Iranirived in a single warplane, almost certainly an soldiers but Iraq's own Kurdish citizens. Iraqi, whose bombs dispersed a vellow. The attack appears to be a grisly warning

The deed is in every sense a war erime. It euses of collaborating with Iran. is compounded by Iraq's lame official denials and unofficial alibis for using a dastard-ly weapon. The U.S. State Department properly denounced Iraq for its "particular-ly grave violation" of the 1925 Geneva protocol outlawing use of gas weapons.

Americans have no wish to see tran prevait in the Gulf war, but it was not the availallahs who started it, bombed the U.S.S. Stark and escalated the "war of the cities." firing missiles into the center of civilian areas.

Iran bears the responsibility for prolonging this senseless war. If it now retaliates with its own gas weapons, the mullahs will have thrown away their moral advantage and edged the world closer to barbarism.

Churchill called mustard gas "hellish poison" when it was introduced by the Germans, then used by all sides routinely and hideously in World War I. So great was the loathing aroused by chemical warfare that

Again. Iraq stands credibly accused of former belligerents joined in signing the 1925 white cloud through the Kurdish Iraqi eity, against an ethnie group that Baghdad ac-

Long before the Gulf war, sporadic viopeated and flagrant, beginning in 1984. Baghdad's culpability was established by a United Nations inquiry, resulting in condemnation by the Security Council.

The United States and the Soviet Union have been negotiating a new Geneva agreement that would reaffirm the ban on use. outlaw production and call for destruction of stockpiles of chemical weapons. Agreement has been stalled in arguments over verification and what to do about proliferation of these weapons to states like Iraq.
In the meantime, Washington and Mos-

cow have to get an urgent message to Baghdad now: Stop using these weapons or forfeit outside support.

- THE NEW YORK TIMES.

Endgame With Moscow

Hard-liners are probably urging Presi-dent Reagan not to make further agreements unless Moscow meets maximum American terms: Walk out of office with ideological purity intact, and rest on laurels

like the medium-range missile treaty.

Republican operatives are probably saying that this course would mean lost political opportunities, and arguing that Mr. Reagan should stand firm for now to please hard-liners — then strike his deals in the fall to help elect Vice President George Bush.

Other pragmatic conservatives surely see the pitfalls in this October scenario. Maybe the Russians will remain eager to deal with Mr. Reagan by fall: maybe they won't. The odds are just as high that by then they will be looking over Mr. Reagan's shoulder toward the next president. He is at the height of his bargaining power during the next two months. Why not use the opportunity to make the most sensible agreements now?

This last alternative has strong appeal. If good arrangements cannot be struck by summer, it is always possible to try again for Similar logic holds for Nicaragua. The con-October. The question the administration tras know that Congress will not support them should be asking itself, then, is not when to move but what kinds of agreements to seek. The issue in the Afghanistan talks now

comes down to this: Accept the Soviet offer to withdraw all forces in nine months in return for a cutoff of U.S. aid to the rebels. or insist on some form of parallel Soviet cutoff to provide "symmetry."

Hard-liners demand the mutual cutoff.

But they seem more intent on preventing accord than on getting Soviet forces out and allowing the Afghans to reclaim their country. Do the hard-liners seriously believe that Soviet aid will save the puppets in Kabul when they barely survive now with Soviet forces and Soviet aid? Are hard-liners so naive as to think that even after U.S. aid ends, the mujahidin won't bave ample stock-

piles and supplies across the Iranian border?
The hard-liners are right when they say that the weary Russians will withdraw even without a deal, But withdrawal will be slow and Soviet military aid and activity unrestrained. Better a negotiated deal than a ragged and lengthy conclusion.

An equally clear-sighted approach is need-

ed for the strategic arms reduction talks. which are in danger of stalling again on the issue of space-based defenses. In a reversal last week, the administration stated that it would not agree to reduce offensive arms without an accord on the future of defenses. That has been Moscow's position all along, And it is right because neither side can know what cuts are safe without being able to calculate the role that defenses might play. But the administration complicates the issue by demanding that Moscow accept some testing in space. The Russians are not likely to buy this, Congress won't, either. It is past time for Mr. Reagan to face up to this and to

use the leverage of "star wars" while he can. Similar logic holds for Nicaragua. The conforever and wants them to bargain seriously with the Sandinists, Contra leaders last week accepted that reality and worked out a 60-day cease-fire deal. Managua made several key political concessions. The road from cease-fire to peace will be extremely difficult. The Reagan administration can make it im-possible, but it would be far more responsible to help the contras bargain for the best terms they can get. Mikhail Gorbachev has offered to show restraint in aiding Nicaragua. Mr. Reagan can press him to do so.

White House strategists will serve their president and nation well, as they ruminate on endgame with Moscow, if they seize the opportunity to make the good deals that are at last within reach.

- THE NEW YORK TIMES.

Homemade Deficit

While the trade bill contains dozens of ling through conference is the political reideas for reducing the enormous American trade deficit, it has little to say about the mistakes that caused it. But there is fortunately one important exception, and if the bill finally becomes law it will have an impact on the way the United States makes foreign economic policy. It originated with Representative Donald J. Pease, who wants both the administration and Conpress to acknowledge the implications of the federal hudget for foreign trade.

The American trade deficit was homemade. It was not imposed by Japanese protectionism or European dumping or foreign exchange manipulation. All of those things are deplorable, but they have been around for a long time, and American trade was in halance as recently as 1981. What has happened in the last six years has been the result of mismanagement of internat finances.

Big federal hudget deficits and tight monetary policy generated high interest rates and high exchange rates. The overpriced dollar made it hard for American companies to compete with foreigners. That put great stress on thousands of American manufacturing companies, not all of which have survived, and on the people working for them — or, in many cases, no longer working for them. The trade hill now mov-

action to their misfortunes.

The Pease provision begins with a simple proposition. If you know the budget deficit, you can calculate a rough but useful forecast of the amount of foreign money that the United States will need to borrow to get through the year without disrupting its economic growth. Foreign borrowing equals the trade deficit. Mr. Pease would require both the president in his annual budget and Congress in its hudget resolution to make those calculations. It is a requirement that the people who draw up the budget take the responsibility for the trade consequences.

When the administration embarked on its

big budget deficits, very few Americans understood these connections. Six years later. things have become a little clearer. Mr. Pease wants to make them explicit. His provision has now been accepted by both House and Senate conferees and is one of the few parts of the trade hill that is fixed and finished. During the coming week the conference is going to try to complete the monumental job of putting this sprawling hilt into final form. With this brief addition to it. Congress looks back to the fundamental causes of the present damaging trade deficit and takes out some insurance against a repetition.

- THE WASHINGTON POST.

Other Comment

Botha to America: 'Grow Up'

Lam the president of South Africa, not the plaything of the international community. As far as I'm concerned, only South African interests matter - not the whims of foreigners who do not understand this country ...

I am definitely not anti-American. We've been talking to the Americans for many vears. But they ee failed in South Africa. They've talked about constructive engagement, but there has been very little that's constructive about their engagement. Some-

times I think that the Americans should grow up, and stop interfering with other nations. They can't see other countries problems straight: They always think of them in terms

of their own domestic politics. They lecture us about race relations -but look at their race relations problems. Racial tension pervades almost all aspects of American life. I sometimes wonder whether their attacks on us aren't simply a method of salving their own guilty conscience.

- President P.W. Betha, in an interview in The Sunday Telegraph (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France Tel.: (1) 46.37.93.00. Telex: Advertising, 613995; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Walter N. Thaver. Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511, Tel.472-7768. Thx RS56928
Minniging Dir. Asia: Makolin Glenn, 50 Gouvester Road, Hong Kong, Tel. 5-8610616. Telex: 61170
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S.A. au capital de 1.200.000 F. RCS Namerre B 732021126. Commission Paritaire No. 61337
D 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8052.



OPINION



The Next Arms Treaty Is Too Important to Rush

ONDON - There isn't likely to be another arms reduction treaty ready for Ronald Reagan and Mikhail Gorbachev to sign in Moscow in

nine weeks. That may be as well.

Some critical issues remain, quite apart from details being haggled over, about the kind of military balance that the superpowers are bead-ing for and what cuts could achieve the goals that they both announce: stability and greater security at lower levels of armament.

A key question, likely to be more of an obstacle to agreement than the issue of exactly what the United States can test in space, is sea-launched cruise missiles (SLCMs, "slickums" in the jargon). The United States has offered to put a ceiling on each side's nuclear-headed SLCMs, although outside the overall totals on other long-range missiles.
The Russians want a ceiling on both nuclear and conventional cruises carried at sea, and claim that they have developed detection measures so that inspectors can tell the difference, U.S. officials are extremely skeptical about the possibility of adequate verification, but bave said they are willing to observe a demonstration.

There has been an important reversal of roles on naval verification, similar to the switch that had the Russians seeking more intrusive measures than the United States would accept in the INF Treaty. The U.S. Navy does not want strangers poking about its ships; the Russians now say they wouldn't mind if Americans want to look close up. From the start of arms talks, Washington used verification as its central argument. Moscow could another will be found. It is not easy to extract lucid

By Flora Lewis

be relied on to say no to disclosing secrets. That relieved U.S. planners from having to work out more fundamental justifications for their positions. It doesn't work anymore. Mr. Gorbachev has learned to spring that trap. One American arms controller claimed that "it was a safer world when you could count on nyet," meaning more reliable for negotiators. But of course it is better that disarmament agreements are becoming possible, and better yet if they force clearer thinking on weapons plans, Inspection of SLCMs raises all sorts of problems. The policy of refusing to confirm or deny whether a ship carries nuclear arms would have to be aban-

doned, and then how would Japan, France, Greece, Australia and others react when U.S. ships came to call? What foreign ports would be shut to the navy? But there are deeper, more intrinsic troubles with these missiles. The U.S. Navy is keen on them and wants to build huge numbers, conventional as well as nuclear. They are the new fashion in missilery -- small, highly accurate, low-flying so that they can escape most radar detection. They are easily hidden, a plus for military planners and a total headache for arms controllers.

They do pose a risk that, as after SALT-I, limiting one kind of weapon will not really cut total arsenals but lead to dizzying proliferation of other kinds. There is a military demand to keep targets "covered," so that if one way of hitting them is denied,

reasoning for a big surge in SLCMs except that they

croft commission's recommendation that the navy shift emphasis from big submarines carrying lots of missiles to smaller subs. The concentration of America's least vulnerable retaliatory force in the limited number of subs that would result from the planned START treaty is a major worry for some strategists. SLCMs could be a way around that,

consideration of where SLCMs will bring the balance in the next generation. It is to be welcomed that both Moscow and Washington now do seem to want to reduce nuclear arms. The momentum for completing a treaty exists. The treaty will inevitably be partial; arms control can go only in steps. But now there should be more thought on how it will fit into the overall strategic relation.

are not in the categories to be cut back.

Nothing has been done to implement the Scow-

since they are much cheaper.

since they are much cheaper.

There is a danger of going for a solution to a perceived problem that produces a much greater threat down the road. It happened with MIRVs, the multi-warhead missiles built to counter what Washington thought was going to be a vast Soviet missile defense system. The Russians responded with many more big missiles, also MIRVed, creating what came to be called the "window of vulnerability."

Henry Kissinger said a few years ago that be wished he had thought things through more fully before urging the MIRV decision. It was a terrible mistake that led the world to current insane levels of nuclear arms. There is a need for more careful consideration of where SLCMs will bring the bal-

The New York Times.

Missile Mania, From the Mediterranean to India

WASHINGTON — Missile ma-nia has hit the Middle East. Ballistic missiles have already trans-

formed the Iraq-Iran war, with the two countries engaging in the broadest use of surface-to-surface missiles against gets since Germany fired thousands of V-1 and V-2 missiles against Britain and the Netherlands in World War II.

But that is just the beginning, From Syria to Saudi Arabia, from India to Israel, states in the region are acquiring new missiles. The proliferation of missiles - and of chemical weapons for warheads - means that the next Arab-Israeli war could be more deadly than anything seen in the rust.

In the Iran-Iraq missile war, both sides appear to be using Soviet-made Soud-B missiles. Iraq gets them directly from Moscow, and has modified them so that they can reach Tehran. Iran has access to Scuds from Libya. Syria and North Korea. It has also used the Chinese-supplied Silkworm missile against a Kuwaiti oil refinery. Both Iran and Iraq have used chemical weapons — another worrisome precedent for the Middle East.

The Iran-Iraq war illustrates a

contracted with the Laird ship-

clad rams - powerful warships -

for delivery in 1863. If they were

altowed to slip out of Liverpoot

harbor, the cost to Union warships

and merchantmen would be cata-

strophic. Said Gustavus Fox, U.S.

assistant secretary of the navy: "It is a question of life and death."

The American minister to Lon-

don. Charles F. Adams, challenged

the legality of permitting the ships

to escape from British waters -

Britain and America were at peace

evasive and dilatory. When it ap-

peared that the rams would be al-

lowed to depart, Mr. Adams sent a

short note to the foreign secretary. Lord John Russell: "It would be

your Lordship that this is war."

America no longer takes trans-

gressions of traditional principles

of international law so seriously -

when they are its own transgres-

sions. And no administration has a

sive violations of such principles

Among these principles are non-

intervention in the affairs of other

nations, adjudication of disputes.

sparing civilians from haphazard

attack and deliberate destruction of

the environment. These principles are enshrined in treaties and thus

Britain avoided war.

than Ronald Reagan's.

builders of Liverpool to huild iron-

By Geoffrey Kemp This is the first of two articles.

nuclear and chemical munitions. • The U.S. State Department con-

firmed this month that Saudi Arabia has purchased an undisclosed number of Chinese "East Wind" surface-tosurface missiles which may be able to reach targets up to 2,000 miles (3,200 kilometers) away — putting Israel within easy range. The missiles are technically capable of carrying nuclear warheads, but there is no evidence that

the Saudis bave this in mind. Syria is believed to have about 36 Soviet SS-21 missiles. There is evidence that it is producing nerve gas at a facility in the desert far to the north of Damascus. In theory Syria could fit nerve gas into warheads for their highly accurate SS-21s. In addition, the Syrians have more than 100 Scud-Bs.

• Israel bas more than 160 U.S.

Lance surface-to-surface missiles,

International Law Used to Matter

gress has been all too compliant.

sent troops into Lebanon: the Ken-

nedy administration gave us the

Bay of Pigs and the beginnings of

intervention in Southeast Asia — which the Johnson administration

(it also sent troops into the Domini-

can Republic) and the Nixon ad-

Reagan administration's vengeful

military actions in Lebanon, Libya

and Grenada, along with harbor

mining in Nicaragua tand support

the dispatching of troops to Hon-

duras in a show of support for the

with earlier traditions of prudence.

not intervene in the Spanish Civil

War and against the Italian and

German intervention in that war,

the Japanese war on China and the

Italian bombardment of Ethiopia.

should heed more consistently than

monition in his farewell address:

that permanent inveterate antipa-

thies against particular nations

should be excluded, and that in

place of them just and amicable

feelings toward all should be culti-

vated. Antipathy in one nation

"Nothing is more essential than

The Reagan administration

This record contrasts sharply

Honduran government

We are familiar enough with the

ministration vastly enlarged.

The Eisenhower administration

By Henry Steele Commager

AMHERST. Massachusetts — directed against America, would clearly and promptly be recognized as acts of war. To its discredit, Con-

- but the British authorities were for the contras' nonstop war) and

superfluous in me to point out to The United States, for example, did

more formidable record of succes- it does President Washington's ad-

are enshrined in treaties and thus form a part of national law.

Mr. Reagan's record embraces a series of military operations which, if brage, and to be haughty and in-

miles — enough to hit targets inside the Soviet Umon. Israel continues an extensive nuclear weapons program and is reported to have its own chemical weapons facilities.

Israeli military planners worry about a scenario in which chemically armed Syrian missiles strike Israeli airfields and bases in the early hours of a war, Israel has reportedly developed contingency plans to take out the Syrian chemical production capability, but that would mean a preemptive air strike and could trigger an all-out war with Syria which could

carry extreme dangers for both sides. While Israel remains confident that it can eventually prevail in any such war, casualties would be high and the rewards of yet another victory over the

Syrians might not justify the costs.

Libya's Moammar Gadhaft is negotiating with Brazil for a surface-to-

tractable when accidental or trifling

distinction President Jefferson and

his secretary of state, James Madi-

son, made between defensive and

pirates, Jefferson instructed the officers on American ships that they should defend themselves against

attack but not take the offensive.

For, as be wrote, "the exercise of this important function that is war

is confided by the Constitution to

During the Civil War, the issue of

illegal clearance of the warship Ala-

bama, built for the Confederacy, is

no less illuminating than the crisis

settled amicably when Lord Russell

prevented the Laird rams from

against the British government. The

dispute was submitted to an inter-

national tribunal and settled amica-

bly. Britain acknowledged guilt and paid an indemnity of \$15.5 million.

Reagan administration or its suc-

cessors will acknowledge compara-

ble (but immensely larger) claims

for compensation to the victims of its passion for military solutions to

political problems and of its own

The writer, for many years profes-

sor of history at New York University and Columbia University, teaches at

Amherst College. He contributed this comment to The New York Times.

contempt for international law.

It seems improbable that the

During the war with the Barbary

We might, too, recall the nice

occasions of dispute occur.

offensive military action.

the legislature exclusively."

range of up to 625 miles — enough to hit targets in Israel, Greece and Italy. trend. Military developments in the countries that straddle the are from Libya to India are proceeding at such a pace that it may already be too late to prevent the sinister marriage of advanced surface-to-surface missiles to miles—enough to hit targets in israci, Orecce and may, that targets in israci, Orecce and may target and targets Gadhafi called again for an "Arab" nuclear weapons program.

in the missile's range. India received delivery last month

· Pakistan, too, is well on the way to producing nuclear weapons and may already have stockpiled enough fissionable material for three bombs. Efforts in the U.S. Congress to penalize Pakistan for its violations of U.S. laws on producing weapons-grade ma-terial have not succeeded, in view of Pakistan's stoic role in supporting the Afghan freedom fighters. Disclosures about India's growing military capa-bilities mean that Pakistan will press ahead with its nuclear program what-ever the United States says or does.

The writer, a senior associate of the Carnegic Endowment for International Peace, was special assistant to President Reagan for national security affairs from 1981 to 1984. He contributed this comment to The Washington Post.

surface missile which could have a

 India late last month flight-test-ed a surface-to-surface missile reported to have a range of 155 miles. Prime Minister Rajiv Gandhi declared that it would be used "purely for defense purposes," a statement not likely to engender the confidence of Pakistan - the only potential adversary with-

of its first Soviet nuclear-powered submarine. It plans to buy seven more. In 1974 it detonated its first nuclear device. According to a study by the Carnegie Endowment, India can in theory produce enough fissionable material for 30 bombs a year. Some sources claim that India has assembled a number of low-yield warheads that can be fitted to the surface-to-surface missile or be delivered by combat aircraft.

Israel Can' Dictate U.S. Polic

By Tony Smith

B OSTON — Assume that in general elections to be held this year Israeli public opinion rabehind Prime Minister Yitzhak mir's repeated assertions that nat al security requires Israel to main unquestioned sovereignty in the cupied territories. Given the im tance of American financial, mile and diplomatic support for Is any such decision by Jerusalem a

matically engages America as we Americans are thus coming it that their own national intere also at stake in the Israeli repre-of the Palestinian uprising question is not one of assigning al culpability to Jerusalem by recognizing the reality of U.S. i ests that Israel cannot expect At ca to ignore indefinitely.

According to Mr. Shamir, the estinian uprising will be satisfied nothing less than the climination the Jewish state. As Mr. Shamir his supporters assert, there shou Yet the current international's

no expectations that Judaea and maria will ever be lost to Israeli tion is as favorable for the exch of territory for peace as one c hope since the annexation of Jerusalem and the settlement of a numbers of Jews in these areas.

Most Arab states have the I Iraq war at the head of their li regional concerns. A solution of Palestinian issue that recognize rael's right to secure borders we presumably be acceptable to Eg Jordan and Soudi Arabia.

Nor is the Soviet Union as inte ed in fishing in troubled waters once might have been. Secretary State George Shultz's suggestion Moscow be included in any inter-tional conference to oversee a set ment in the region is recognition the stabilizing role that General's retary Mikhail Gorbachev might;

in Middle East politics.

If Israeli opinion hardens on question of Palestinian autonomy such a relatively mild internation climate, what realistic hope is the that it will soften tomorrow unde less favorable configuration forces? What we see emerging is-ugly civil conflict, one just as bitter that in Northern Ireland or Son Africa, and one likely to stretch it as far into the future.

How should the United States i terpret its own interests? Clearly bas global responsibilities that c only be severely handicapped by close relationship with an Isra whose annexationist policy threate to associate America permanent

with such a festering issue.

The need for friends and mant verability not only in the Arab wor but throughout the lands of Isla from Turkey to Pakistan dictat that the United States seek to avo the common perception of an Ame ican blank check to Israel, That what Mr. Shultz's recent trip vi about: reaffirming America's con mitment to the well-being of ls2 while insisting on the legitimacy. the United States asserting its on interests in the area.

But if the Shultz initiatives should fail, as they seem to have, Ist would have used the support of international community not to a itself out of a terrible dilemma instead to dig itself more deeply it an intractable conflict. And as w South Africa, Washington may left with no sensible policy but distance itself from a problem it i patiently but unsuccessfully tried for years to help resolve.

Mr. Shamir has repeatedly assent that the United States should not b to influence Israeli policy. Ist alone will judge what its interests at But can Israel genuinely expect United States to remain indifferen when its own vital interests are stake? Can it deny to Washington! right it claims for itself? It would be a serious mistake

assume that Secretary Shultz is lame duck with only a few mo months in office. The consideration he has raised are those that the no administration must address quick and frankly as well.

If Mr. Shamir's interpretation the situation becomes the majorit do Americans have but to review crit ically the many ways their ability t act in world affairs is hampered by inflexible ally whose policies have made it a serious and permanent B ability to America's national interest

The writer is professor of poscience at Tufts University and a sem associate of the Center for Europeo Studies at Harvard. He contribute this comment to The New York Times

100, 75 AND 50 YEARS AGO

1888: The Elbe Floods

BERLIN — News regarding the districts inundated by the Elbe continues to be of a very gloomy character.
An area of a hundred English square miles is estimated to be under water. More than ten thousand persons have lost nearly all they possessed, and there are upwards of forty villages as his seaward drive pierced the inundated. Four hundred pioneers from Berlin, Magdeburg and Rendsburg have been ordered to the district

1913: Adrianople Taken

prisoners taken at Adrianople, bit they are believed to number 5000 80,000 men and officers.

PARIS - General Francisco Francisco last night [March 27] saw himse master of all Spain a few days himse

lan border. Thirteen days after th Nationalist commander threw strength into the 150-mile-wide of fensive, his bombers blasted the to alist defenders out of Fraga, key to to the entry of Catalonia. Nationa sources said that the capture of ath more defense points would leave forcing the Republicans into a knowledgment of complete dele

leaving Liverpool. The powerful Alabama did slip out of Liverpool and accounted for more than 60 Union vessels until finally it was destroyed by the Kearsarge. Later, the United States pressed claims

to assist the distressed population.

SOFIA - Details of the storming of Adrianople [on March 25 and 26] show that the Bulgarian losses were over Catalonia to the Mediterrane very beavy in the final assault owing cutting Barcelona from Valencia to the desperate stand made by the Turks, and the Servian troops also knowledgment of complete deso lost heavily. Fighting proceeded for some time in the streets, and the full batteries of artillety and less than 13,000 prisoners, fourth to hold the western forts. Exact information is lacking as to the number of dreds of trucks and tanks were a ported to have been taken during mation is lacking as to the number of lightning drive along the entire from Turks made an unsuccessful attempt

OPINION

Dictal First No to Land for Peace, I.S. Poll Now No to Peace for Land By Anthony Lewis have all said they are ready

trabs have to a degree exchanged the ibitions they held for many years. From the founding of the state in 1948,

traci sought face-to-face negotiation with its neighbors. The government re-ichtedly declared itself ready to meet with any Arab leaders, to talk without conditions. The Arabs spurned the idea. They would not meet or talk with Israeli officials. Indeed they often refused to use he word "Israel," speaking instead of the Zionist entity" or some such thing. In the six-day war in June 1967, Israel sammed the West Bank, the Golan ights, Gaza and the Sinai. It then seein sought direct talks. The nearly miversal view in Israel was that the erritories should be returned in a negoinfed exchange for peace and security. IN Security Council Resolution 242 mbraced that concept.

Again the Arab response was rejecion. At the Khartoum summit meeting ater in 1967, leaders of the Arab states dopted as their policy toward Israel in came to be called the Three No's: o negotiation, no peace, no recognition. That position has been transformed in ecent years. In 1977 President Anwar adat went to Jerusalem. With the help of resident Jimmy Carter, he and Prime Hinister Menachem Begin reached the camp David agreements. Egypt and Isael signed a peace treaty, and Israel vithdrew from the Sinai. It was exactly he formula Israel had envisaged: the

ichange of land for peace.
No other Arab leader has made a ramatic gesture like Sadat's. But gradu-It the other neighbors have come to ccept the inescapable reality of Israel. Heir leaders no longer use insulting Vasious to describe the state. In Amian and Damascus they speak of "the beenment of Israel." Jordan, Syria id the Palestine Liberation Organiza-

Sometimes You Deal

ERRORISM is oot an issue of moral absolutes, devoutly though one night wish it were so. It is too long since he lion sat down with the Man Man and he Irgun to pretend that terrorism can. sever be allowed to prevail. Treating with he PLO is a matter of whether you recept them as legitimate representatives. If Palestinians' views (answer; yes, with tome reservations), just as it is with the African National Congress in South Afri-a. Israel, like South Africa, or China in libet or the Soviets in Afghanistan, will reate an opposition in [its] own image, and it won't be a very polite one. The nutside world's job is to make absolutely lear the West's stand [against] the use of motion outside national borders.

- Adrian Hamilton, writing in The Observer (London).

ı

OSTON - The current effort to find tion have all said they are ready to D a way to peace in the Middle East negotiate with Israel in the framework aces a frustrating irony. Israel and the of an international conference. All have indicated that they are prepared to ne-gotiate on the land-for-peace formula. Yasser Arafat, the PLO chairman, re-

iterated recently that he accepts Resolution 242, with its call for Israeli withdrawal from occupied territory to "secure and recognized" borders. He said the PLO's policy is "land for peace."

But as the Arab parties have moved in one direction, the Israeli government has moved in the other — away from the principles that it established long ago. Prime Minister Yitzhak Shamir re-

jects the land-for-peace principle. He rejects the proposed international conference. He rejects Resolution 242 as the world understands it, claiming that Isra-el's obligation under it was met by withdrawal from the Sinai (Everyone involved in its passage says it applies to all the occupied territories.)

When he was in the United States, Mr. Shamir emphasized his objections to the possible procedures of an international conference and to the timetable of Secretary of State George Shultz's peace plan, Those are fair points. But they are really irrelevant so long as Mr. Shamir rejects any further withdrawal from occupied

near Dimona in Israel. But peace often; one will agree to give up territories, requires negotiation between parties with. Nadia Hijah's opinion column on the each other's blood on their hands—the same page, The Palestinians Once Had Sandinists and the contras, for example, a Land and Still Have Rights, shows a The first step in the Middle East negotiating process would logically be the cessa-

tion of armed attacks of any kind-Bot, skeptics will ask, can the Arabs be believed? Doesn't the PLO covenant still call for a secular Palestinian state

here Israel is oow? Yehoshafat Harkabi, the former chief of Israeli military intelligence, answers that a dream of Israel's disappearance may continue, but that in practice Jordan and the PLO have adjusted to the realistic need for "political accommodation." And Israel must seize the opportunity that presents, he says:

"What is important to us is that the goal of eliminating Israel ceases to be policy, as distinguished from grand design. There is no way of extinguishing a people's vicious dreams, which are liable to persist even after political accommodation. A political settlement eventually uproots the vicious dreams and cancels them out, while lack of political accommodation establishes and reinforces them."

The New York Times



LETTERS TO THE EDITOR

First Comes Recognition

The opinion column "Israel's Jews Have No Place Else to Go" (March 17), by George F. Will, points out the oeed for direct bilateral negotiations instead of an international conference. But to have blateral negotiations there must be two partners, and if the past few mooths have taught us anything it is that no one can regotiate for the Palestmians except themselves. It also follows that any meaningful negotiation must be based

matter from any oegotiating table.

Mr. Will scuttles any loca of all interest in the West Bank and Israel's existence as a state can oever be a survey of the parties in the West Bank and Israel's existence as a state can oever be a survey of the parties involved. upheld by any of the parties involved. Now we are in a vicious circle: No peace for territories because it is impossible to Palestinians see it as their spokesman. Now we are in a vicious circle: No peace.

The objection to negotiating with the for territories because it is impossible to PLO is that it carries out terrorism like its effectively guarantee Israel's existence. recent murderous attack on a civilian bus, and no guarantee of existence since no

> bit more insight, if only because it deals with the moral questions behind the Palestinian problem. She does an admirable job of stressing the suffering and the unjust treatment of the Palesimian people. But in her extremely partisan view, she leaves crucial points unmentioned.

The Palestinians may have been greatly wronged by the creation of Israel, but they were no less wronged by their Arab brothers, who put ceaseless effort into promoting a tragic rejection of the reality of a two-state Palestine. Nadia Hijab does not mention that the occupation of the West Bank and Gaza occurred after all-out wars having as sole aim the de-struction of Israel. Everyone has a right

Letters intended for publication ould be addressed "Letters to the Editor" and contain the writer's signoture, name and full address, Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

to exist," she writes. But if the PLO's solucion is either a secular democratic state or two separate states, it still has far to go, as it has not even acknowledged the

custance of one state, and prefers hijacking buses to political initiatives.

Unfortunately, ideas similar to those espoused by these two writers guide the people at the head of both the Jewish and

PAUL BELOPOLSKY.

The Zionists' difficulty was that there was no real Arab nationalist movement that addressed itself to Palestine, and thus no leadership with whom a dialogue might have been carried out. Prominent Jewish thinkers, such as Martin Buber, openly advocated a binational state. But this did not seem enough for the Arabs, who in the 1920s began resorting to viclence. Had the Arabs even considered one of the partition arrangements, particular-by that of 1947, they would have a state today. When Egypt and Jordan con-trolled the occupied territories for 19 years up to 1967, there was never any move to create a state for the residents. The Palestinians have only their extremist, rejectionist leadership to blame for taking them down the destructive and profitless road of violence. The PLO, whose charter pledges the destruc-tion of Israel, bas succeeded in terroriz-ing the population into submission. Since 1967, 429 Arab Palestinians have been murdered by this so-called moderate organization, and 3,110 have been

sals against people who dared breathe words of conciliation with Israel. BURT KEIMACH, Deputy Director. Britain/Israel Public Affairs Centre.

wounded in a variety of terrorist repri-

The opinion column by Nadia Hijab was excellent. I hope it makes an impact, because it was honest, clear and to the point. The moral issue is indeed at the core of the Palestinian question. ELISABETH KRAEMER-SINGH Bonn

PARIS — Packing up to move back to America after 43 years in Europe is like sorting out all the characters and subplots in Tolstoy's "War and Peace."

When I arrived in Liverpool as a war correspondent in February 1945, aboard the Cimard Line troopship Mauretania with 7,000 American soldiers packed like sardines from the hold to the sun deck, the allied armies had not yet reached the Rhine, and Hitler's V-1 buzz bombs and V-2 rockers were still falling on England. Now, as I leave Europe. latter-day nuclear descendants of that carly Nazi rocketry - U.S. cruise and Pershing missiles and Soviet SS-20s -

will soon also begin to leave, turning a page of history, hopefully for good. At the end of 50 years of daily jouralism, of a crowded, colorful, actionfilled parade of men and events, the events are pasted up in more than 30 scrapbooks with names from Roosevelt to Reagan and datelines from Washington to Moscow and well beyond.

Memory turns mainly to the men, not the events - man like Jean Monnet, Dean Acheson, Anthony Eden, John Foster Dulles, W. Averell Harriman, George C. Marshall, Konrad Adenauer, David Bruce, Charles de Gaulle, Harold Macmillan and Henry A. Kissinger. Of all those I have known or covered,

Monnet, that great Frenchman, stands

out in memory in a particular way unusual because I cannot recall ever writing a headline story out of the many conversations that I had with him across more than a quarter of a century. Monnot left headline-making to others. He dealt in ideas, concepts, analysis, thought, in influence rather than power, progress rather than playing politics. To spend an hour with Monnet was intellectual stimulation and conversational delight - the beautiful clarity with which he organized his thoughts and the bight that he could shine into dark corners of what was going on in the world. In all the years I knew him, he was always "Monsieur Monnet." He was not in the least forbidding or imperious and he was totally without pomposity, yet

always seemed that it would be as approper to call him by his first name as a would be to call the pope Jack. I always came away with a clearer sense of what was important and what was oot, with a sense of how history was

moving of the future shaping of events.

I recall going to see him in Luxembourg in the early 1950s, when he had just set up the headquarters of the European Coal and Steel Community, his great cre-ation that changed the political and eco-nomic outlook for Europe, Looking for a headline story, I tried to question him on a problem of tariff harmonization in the steel industry that was holding things up in those early days of building Europe.

After some back-and-forth on the sub-

ject, Monnet grew a little impatient and said: "Look, my friend, this is a process in which we are involved — not a tariff negotiation. We are building a market for all of Europe. We are at the beginning of a process, and this problem you are talk-ing about will be solved because there is

By Don Cook

A Full Span of Progress in Europe

no other way, because the process much greater than the problem."

When I was in Brussels two months ago, covering my last European Community summit meeting, I thought back to that conversation. Now heads of the 12 EC countries had reached agreement after a year of wrangling on a package deal to curb European agricultural spending. Once again Monnet's "process" was greater than the problem.

De Gaulle detested the idea of a federated Europe. He had Monnet's telephone tapped. Monnet dismissed a warning about this with the remark, "Well tant pis, perhaps he'll learn something." Once when I raised some point with Monnet about "negotiating" with de

MEANWHILE

The writer, now retiring as European diplomatic correspondent of the Los Angeles Times, is a former chief European correspo of the New York Herald Tribune.

Gaulle, he got that slightly pained looked on his face and said: "My friend, you do not negotiate with General de Gaulle. He does not negotiate once his mind is made up. What you have to do is set up hard facts, confront him with truths that he must take into account. Then he can be very flexible. But he does not negotiate."

The most absorbing diplomatic story for me was the Geneva conference of 1954 when the French disengaged from eir unwinnable Indochina war,

Negotiations lasted from early April to the end of July. It was absorbing not only because of the issue of war and peace but because of the high quality of the leaders and diplomats involved, and the East-West complexities of China's presence at such a conference

John Foster Dulles saw the French efforts to end their involvement in Indochina as a sellout to communism and another Munich in the making. He failed to keep China away from Geneva, and be

misjudged the French bargaining posi-tion. He packed up when he saw the way things were heading, and flew home. Before he left, Dulles found himself in a men's room of the Palais des Nations with the Chinese foreign minister, Chou En-lai. The American press was quickly assured by a State Department spokes-man that neither man bad acknowledged the presence of the other, they certainly had not exchanged greetings or, God for-bid, shaken hands. Dulles was taking oo chances with the American China lobby. Despite, or more probably because of, Dulles's opposition to the very idea of a deal with Communists, we American correspondents in Geneva were briefed with remarkable candor by French and British diplomats from the top down. We regurly saw Prime Minister Georges Bidaul and later his successor, Pierre Mendès-France, as well as Foreign Secretary Anthony Eden. So each day, after tennis

along the shores of Lake Geneva, we were weaving together a complexity of diplomatic and political maneuvering as the French and British fought hard and skill-fully, with little or no help from the Americans, to wrestle a settlement agreement out of Soviet Foreign Minister Vya-cheslav Molotov and Chou En-lai, No television cameras could poke into the

reporting and writing of this history. In the end, indochina was partitioned on the 17th parallel, with Hanoi going to the Communists and Saigon to the West. It was a far better settlement than Dulles believed possible for the French, America's Vietnam War might have been avoided had anybody in power in Washington in the 1960s been prepared to learn from the French experience how

and why it all happened in 1954.

Dulles was the first secretary of state to make a major personal effort to "use" the press. I do not say this resentfully. But I oever felt this to be the case with Dean Acheson or Dean Rusk. On the other hand, Henry Kissinger carried it to a remorselessly fine art — with the added advantage of keeping a lock-hold on correspondents traveling with him on his Air Force plane. With Dulles, a re-porter with his feet on the ground always had other contacts or sources -as in the case of covering the Geneva conference of 1954. But with Kissinger you were all but imprisoned, up in the air.

Sitting in the secretary's cabin, being told what be had just done and was now about to do, I always felt rather like one of those Strasbourg goese being stuffed with com in a pen: nowhere to move or turn. When you landed there was not much choice but to tell it the way Henry told is - and, as a reporter, resent it.

If there has been one basic theme running through reporting from Europe for the last 43 years, it has been confrontation with the Soviet Union. America's involvement in Europe from the Mar-shall Plan and the birth of NATO in 1949 to the ledious diplomatic reporting from Helsinki and Geneva and Vienna and Belgrade and Madrid — all of it was part and parcel of the ups and downs of East-West confrontation.

But what an enormous success these postwar years have been for the West. Containment of the Soviet Union bas worked, more or less as George Kennan foresaw. A Soviet leader has at last emerged who is pragmatic enough and strong enough to choose a course of domestic reform rather than another futile round of pseudo-conflict with the

West as a means of governing.

The real significance of the impending withdrawal of missiles from Europe is the tacit admission on the part of the Soviet Union, 40 years after the Berlin blockade, that war against Western Europe is not and never really has been an option in the exercise of Soviet power. So I depart from Europe at a time when containment is a proven success and confrontation is no longer going to be the theme of history. It is a good time to be going home.

Los Angeles Times.

HE RETURN OF MARCO PO ING June, 1988

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rganized by Maxim's of Paris. vames of participants will be ngraved on plinths at the base of > Wall, after a picnic luncheon consored by Petrossian.

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IN BELFAST, 2 CHARGED IN SOLDIERS' MURDERS — Henry Magnire, 28, being escorted by policemen to a prison van after he and another man, Alexander Murphy, 30, were charged with the March 19 murders of two British soldiers in west Belfast during an Irish Republican Army funeral. A third man, Thomas Hawkins, 38, was charged Sunday in the case.

CHAD: Libya Agrees to Talks Over Disputed Border

(Continued from Page 1)

filtrate from sanctuaries in the Darfur region of western Sudan.

"They are going to keep harassing from the Darfur and maybe from across Lake Chad," Mahamat Nori, a northern army commander, said. "The last place they are going to attack is the northern front. They know that if they leave their barricaded camps, we are going to come in right behind."

On several occasions last year, Chadian troops won victories by chasing Libyan soldiers as they reto bave paid off with free passage given to Libyans seeking to attack Chad. The Sudanese leader, Sadek el-Mahdi, speni several years in ex-

ile in Libya. Libya. whose oil wealth gives it aid program for Darfur — new leadership of Sbeikh Ibn Oumar roads, emergency shipments of and Hadjerai tribesmen from food, and the sending of what were Chad's central Guera region. supposedly agricultural experts.

the phase of smuggling in rifles in who play a rear-guard role in Chad. sacks of flour, said Ahmed have stationed about 300 soldiers Moussa-Mi, the Chadian presi in Abecbe, a Chadian town 100 dent's cabinet chief. "They now miles (160 kilometers) by road have 50 to 60 all-terrain vehicles." from the Sudanese border. French

killed and 10 captured. Four days inaugurated in October.
later, hundreds of demonstrators While U.S. officials in Washingmarched in Khartoum, Sudan's ton do not hide their joy at seeing

(Continued from Page f)

Sunday morning, apparently in an

Rabaiah, 23: Ghassan Nucirat. 17.

and Mohammed Nucirat, 27. li

The fourth death, that of Yasser

said eight others were wounded. rusalem:

The dead were identified by the Palestine Press Service as Omar Mayor of Gaza Resigns

al-Khirbawi, 14, in the village Os of the anti-Israeli uprising in the

ed circumstances. The army said acting mayor of Gaza City submit-the death occurred came as an ted his resignation Saturday, ac-

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attempt to make arrests.

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capital, to protest the Libyan pres-

ence in western Sudan. However, Sudan is not expected to act. Libya has become Sudan's principal source of weapons in its war against separatist guerrillas of the Sudan People's Liberation

The attackers in the March 8 incident were largely members of the the Islamic Legion, a mercenary group composed of unem-ployed West African youths hired by Libya, With a relatively small population of about three million, one accustomed to a fairly easy in the Darfur region, Libya's standard of living, Libya's leaders have found it politically expedient to have real of the Sudan seems to him mercenaries to de a tarriy easy standard of living, Libya's leaders have found it politically expedient to him mercenaries to de a tarriy easy standard of living.

the fighting against Chad. In the Darfur region, Libya has resumed an old strategy of arming Chadian rebels in an effort to depict the fighting as a civil war. Those Chadian dissidents under Africa's highest per capita income, arms - no more than several bun-57,500, embarked on an ambitious dred - include Arabs under the

While the Darfur threat is con-According to Chadian officials, sidered low-level, Chadian officials though, these specialists were often complain that this second front Libyan army officers who used the drains men and materials from the

new roads to smuggle in guns.

Libyan forces are "no longer in To ease the pressure, the French. The smuggled arms seem to bave radar at Abeche can detect major found quick use. On March 8, a ground movements, and Jaguar jets Libyan-led attack on a Chadian routinely take off for patrols from border post left 20 of the attackers the town's new airstrip, which was

Jonathan C. Randal of The Wash-

ington Post reported earlier from Je-

Bowing to pressure from leaders

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

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Colonel Gadhafi's troops bloodied. French officials try to dampen Chadian desires to drive the Libyans out of the Aozou Strip.

Last summer, after President
Habre's forces expelled the Liby-

ans from all of northern Chad but the Aozou, the French suddenly slowed arms deliveries to Chadian France, Chad's primary military

supplier, wants the African adversaries to settle the Aozou border dispute by international arbitration. French military aid to Chad this year is expected to be close to last year's, about \$70 million. The United States advocates a

more aggressive stance, but has only allocated \$5.5 million in military assistance this year. Last year, Washington gave Chad \$35 million n military aid, which included de-ivery of 24 of the shoulder-held Stinger missiles.

In return, the United States reportedly received some captured Soviet-made equipment - radar, helicopters, surface-to-air missiles and armored personnel carriers. A Pentagon spokesman in Washington refused to confirm or deny re-

ceipt of these armaments. ■ Killings Alleged

Chad has accused Colonel Gadhafi's government of killing 17 Chadian citizens living in Libya and throwing bundreds of other Chadian civilians into a prison camp outside Tripoli, Chad's staterun radio in Ndjamena reported

The radio report quoted Chadian officials as saying the incidents oc-curred Monday, United Press International reported from the Chad

ISRAEL: 4 More Palestinians Are Killed by Soldiers ty, who was on the bus, said the bus had visited the village and left without ever having been in danger.

ship of the uprising to deprive Israeli occupation authorities of high-ranking, appointed Palestin-

ian officials. Apparently in an effort to get Mr. Turkmani to reconsider, fsraeli officials said they bad not yet accepted the resignation. But Rashid Shawaa, the former mayor of Gaza who was removed by the Israelis, Salfit, near Nablus, came in disput- occupied territories, the Palestinian said on Israeli television that Mr. Turkmani's decision was final.

Israeli analysts said the resignation could lead to a new wave of trnder attack by a crowd wielding knives and stones. But Penny Johnson, an official of Bir Ziei Universical cuts working for the Israeli australia of Bir Zi

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Baghdad Is Using Larger Missiles Against Tehran

By Patrick E. Tyler

Washington Post Service
TEHRAN — In the past week, Iraq has begun using new and larger missiles against the Iranian capital to increase the destructive power of their impact and raise the "terror" factor in Iran's most important urban population, according to Western military officials Tehran,

These officials, who have received no confirmation from Iranian authorities, believe that Iraq in some instances has begun using aircraft to fire heavy missiles with larger warheads into Tehran.

"In the last couple of days, several missiles have been launched from aircraft," said a long-serving Western official, who was reflecting the observations gathered by a number of resident military atta-

ger bombers to launch heavy missiles against Iranian oil tankers in The use of a new missile in al-

tacks on cities coincides with a threat from the Iraqi leadership to have done minimum damage be- against Iran.

agrees to a settlement of the brutal conflict, which is in its eighth year.

According to these officials, for the first time Iraq may have launched Soviet-made SS-12s carrying 2,000-pound (900-kilogram) high-explosive warheads against

Use of the SS-12, though an older missile in the Soviet arsenal of medium-range weapons capable of delivering either nuclear or conventional warheads, still would represent an escalation by Iraq in the missile duel that almost daily sets off air-raid sirens in Tehran that send bundreds of thousands of residents scrambling for shelters, basements or interior stairwells.

The Western military officials candidates for a new fraqi delivery Earlier this year, Iraq began us-ing long-range Soviet TU-16 Badrocket. They said an air-launched version of the Soviet-made Styx missile with a heavier warhead could also be responsible for some of the enormously powerful missile strikes of recent days.

nuclear explosions near U.S. military targets, a recent Princeton

University study using Defense Department models concluded that

such an attack would kill 13 million

to 34 million Americans and seri-

Given this potential outcome,

Richard N. Perle, au assistant

secretary of defense for interna-

tional security policy from 1981 to 1987, said recently, "It was inevita-ble that the SDI program would

In a speech at the Brookings In-

stitution, he criticized administra-tion officials "who think the only way to maintain a public constitu-

ency for SDI is to promise a capa-

Fred Hoffman, a longtime De-

fense Department consultant who

chaired an important panel on the

for SDI has been such that it be-

came increasingly hard to justify an

in the mid- to late 1990s, in orbit-

aimed at a perfect defense."

a few minutes after launch.

be able to maintain."

ously wound up to 64 million.

"level" Iranian cities using "all cause. Western military experts be-available weapons" until Iran lieve, Iraqi missile technicians have been forced to lighten the explosive payload of the warhead to achieve the range required to send the rock-et the 550 kilometers (350 miles) from the Iraqi border to Tehran.

> Delivering the missile part of the distance by aircraft, or using a heavier booster, such as the SS-12s, would enable Iraq to throw a larger warhead into Tehran.

Though Iranian security forces quickly cordon off missile impact areas and foreigners are subject to arrest for straying too close, rumors of hundreds of deaths from some of the largest missile strikes are treated as credible by the diplomatic community.

lraq has maintained a supply of SS-12 missiles in its arsenal for said the SS-12 is but one of the some time, Western officials say, air power to bomb civilian and ecoand Soviet officials in Tehran have reported through diplomatic chan-Thus far in the attacks on cities, the this year. Soviet officials have reported to Many previous missile strikes not consented to the use of SS-12s

bassador to Tehran was summoned to the Foreign Ministry in what Western diplomatic sources say is a growing irritation by the Iranian regime with the Soviet supply of missiles to Iraq, which appear to have only one purpose: attacks on Iranian civilians.

At last week's Friday prayers at Tehran University, which attracted a large crowd despite forecasts of incoming missiles, foreign journalists were surrounded hy demon-strators chanting not only the familiar "Death to America" refrain of the Iranian revolution, but also the added refrain of "Death to

Russia. In 1985, Iran initiated the use of missiles in the war and used them with growing intensity in 1986 and 1987 in response to the Iraqi use of nomic targets deep in Iran.

A new assessment of Western nels that they retain "political con-trol" over Iraqi use of the SS-12. that 122 missiles have his Tehran

According to sources, the Soviet other diplomats, the Kremlin has Union sent in a special Aeroflot flight to evacuate nonessential embassy personnel, and Iranian offi-

Two weeks ago, the Soviet am- cials noted that Iraq paused its sile barrage for 20 hours while Soviet evacuation was under a Mehrabad Airport

■ Indian Tanker Altack

Shipping sources said that I an gunboats attacked an ir tanker in the southern Gulf on day, causing a fire on board ters reported from Dubat, to Arab Émirates.

They said the 24,529-ton Jak ayan Vyas was raked with chine-gun fire off the coast of United Arab Emirates. The er room was damaged, they said, crew member was believe have been injured.

The ship was the seventh ne vessel attacked by Iran in the week in retaliation for Iraci at on its oil lifeline.

The sources said the Jainar Vyas was on its way to the s port of Al Jubayl when it wa tackeo at 11:20 A.M. local tin

On Saturday, Iraq, under cism for its alleged use of cher weapons, vowed to continue everything in its arsenal to for

ARMENIA:

from Stepanakert, Pravda sa

majority of factories were idle lzvestia denied dissident re

that protests were taking plat

the city. It said the atmosphere

calm, although police units

patrolling the streets.

"More and more people are

izing that work stoppages, der

strations and other similar

merely hamper the just and he

solution of the Nagomo-Karalissue," Izvestia said.

tal, Yerevan, said the city was:

a day after a "ghost town" or

tion staged by nationalists bac-the Nagorno-Karabakh cause.

Organizers, responding to a

on protests ordered by local

thorities, had called on people

remain indoors on Saturday

stead of gathering at a plat

extent we are guilty for provi-

scant information in the e

"There is no doubt that to s

mass rally.

Officials in the Armenian

ARMS: Reagan's Dream Curtailed

(Continued from Page 1)

skepticism about the feasibility of a full space shield, Congress bas vot-ed \$10 billion less than the administration sought for SDI research. Many experts predict that even with the Joint Chiefs' backing for a more limited system, SDI could Given this potential outcome, wither after Mr. Reagan, its most SDI officials said they had no ardent supporter, leaves office in choice but to jettison Mr. Reagan's January and his successor con-fronts the U.S. budget deficit. goal of "eliminating the threat posed by nuclear ballistic missiles"

A veteran arms-control consul-tant, Albert Carnesale, noted that SDI lacked strong support from U.S. ailies, the military industry or

the military itself. Several experts said SDI's political future was also clouded by an even more radically scaled-down alternative defense suggested by Sam Nunn, Democrat of Georgia, chairman of the Senate Armed Ser-

vices Committee. Mr. Nunn, who is skepuical of the notion that space-based weap-ons are feasible or affordable, backed study of a ground-based system to protect against a few stray missiles launched by accident

or by Third World countries. Some SDf supporters suggest that the administration embrace this as a "font in the door." Other SDI proponents, though, fear this proposal would weaken the administration's more ambitious plan by using up available funds.

Some SDI proponents said their efforts to build a lasting consensus for the program have been badly harmed by the administration's shifting and often questionable ex-

planations of it. Mr. Reagan initially promised that SDI would never be just another method of protecting missile silos" or other military targets. And General Abrahamson said a year ago that "that is not what we are about. Absolutely not."

But David C. Jones, chairt the Joint Chiefs of Staff from 1978 to 1982, said: "It's clear to me that they're talking about the defense of military targets at such a low level of effectiveness."

Donald Hicks, the Pentagon's undersecretary of defense for research and engineering from 1985 to 1986, agreed that the initial SDI system was "really suitable only for a military defense."

Although Mr. Reagan promised in 1986 at a meeting with the Soviet leader, Mikhail S. Gorbachev, that he would "do away with" offensive nuclear weapons whenever missile defenses were deployed, the defensive system now being developed would clearly augment, not replace, existing U.S. nuclear missiles, campaigning. He still fell sbort, but bombers and submarines.

Caspar W. Weinberger, theo secre-cials, the work of trade union allies tary of defense, that "the defensive and the candidate's own unceasing systems the president is talking stress on the need for tougher meaabout are not designed to be par-sures against unfair foreign compe-tial," the Joint Chiefs decided that ultion made an impact, particularly the best an initial system could do among autoworkers whose jobs was blunt 50 percent of a plausible have been imperiled.

attack by the Soviet Union's most

But even a last campaign day accurate SS-18 missiles, and only 30 percent of its entire force.

Although experts can only guess about the effect of at least 3,500

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change in the direction of greater A Moscow policeman speaking into his walkie-talkie as Armenians gathered at a Moscow center

SOVIET: Some Objective News

(Continued from Page 1) bility for defending people" that frantic debates on what stories to such a program "is never going to run, a few arguments, a steady

stream of gossip. And the phone never stops ringing: "It's the Crimean Tatar story. They want to file on something

role of strategic defenses shortly from Simferopol, a demo, that hap-after the president's speech in 1983, explained that "the funding level "People from Armenia keep getting through, Sasha, but as soon as they begin to talk about the strikes,

the line goes dead. Damn police.
What are we going to do?"
The Armenia problem is solved unending program of research Early plans for the limited deby phoning from another apart- Ogonyok and the Moscow News, fense call for several thousand rockets to be deployed, beginning until the story from Yerevan bas gative pieces, the official Tass news been dictated.

ing space "garages," where they could be fired at attacking missiles The production process commands the apartment so thorough- cover hreaking news events such as ly that Mr. Kalugin is forced to the demonstrations in Yerevan and hide out and work in a tiny back the riots in Sumgait. Brigadier General Wayne Knud-

rado Springs, Colorado, said the proposed system probably would protect some military facilities for protect some military facilities for produce a weekly edition of 150 to and scraps, always distorted, and "hundreds of minutes, but I'm not 170 copies on typewriters. If some-sure bow many bundreds and you one manages to get a blank cassette Pravda will print things we had a can't be sure in advance which ones to a staffer, he or she will read the couple of weeks before but natural-

readers make photocopies of the original "first generation" of issues.

Mr. Podrabinek said that Express
(Continued from Page 1) Khronika now gets to around 50 Soviet cities by the time all the

copying and recopying is done. Objectivity is the paper's uniqueness. In a city of opinions, Express-Khronika tries to resist them. "We are starved for information, not points of view," Mr. Podrabinek

Another editor, Sergei Lyozov, said that while certain official publications, such as the weeklies ment. This time the line is clear provide fresh opinion and investiagency and the most widely read dailies, Pravda and izvestia, fail to

son, a director of plans at the Pen-tagon's Space Command in Colo-Pinchus, takes dictation from a cor-cial papers would publish nothing Mr. Podrabinek and the others means they are now publishing bits

issue onto the tape for them. Many ly they never get it right." The closest the weekly gets to subscribers can send to the government if they choose. This week, Express-Khronika gives readers the 9 million people, this is the eighth opportunity to clip and send a let-

mation is not available.

Greatly stepped-up taxpayer in-formation and education services

make up another part of the effort,

the service is sending traveling tax

seas any action must come through

ment. The service bas no power or

but is seeking to improve coopera-

stages," Izvestia said, adding the journalist's profession is from the most respected toda argument are petition forms that largest state, but preliminary calculations by party officials suggested that only 150,000 people voted—a union and publish his documentater asking that Alexander I. Solzhesmall increase from the 130,000 ry history of the prison camps, who turned out four years ago. "Gulag Archipelago."

Stepanakert." In Moscow, the head of a hin rights group said that one group of Armenians reported dissidents to have been are last week had been charged spreading false information andering the state.

Lev M. Timofeyev, chairma the independent human n monitoring group Press Club G nost, said the charges had t brought against Paruir Airikis member of the Nagomo-Karah committee leading the Armo campaign. "It's the first time statute has been used for most

Mr. Timofeyev said. In another development. Tass press agency said several ple were detained at rallies it Soviet Baltic republics of Li and Estonia on Friday.

A Latvian dissident. Ron Gaubis, said by telephone tha and 14 others were seized by so ty officials during a rally in Rig memory of Latvians deported

Siberia by Stalin. Tass said nine people were tained and brought to adminis tive account after vigorous act by public order squads. The age also reported that five arrests been made at a similar rally in

Estonian capital, Tallinn. ■ Czech Protest Broken

The Czechoslovak primate. dinal Frantisek Tomasek, said urday that police use of not su dogs and tear gas to break peaceful Roman Catholic pro in Bratislava would only streng the church. Reuters reported

Vienna. The police moved in when I sands of Catholics defied a ba gather on on Friday night in main square of Brauslava manding greater religious freed "This is very sad." Cardinal

masek, 80, said. "We didn'l ca anything like this, on this scale But he added: "Loyalty 10 church is getting more and I lively. It's stronger than in the l especially among young people

Asked whether the author attitude could drive more peop support the church. Cardinal masek said: "Without a doub will strengthen us even more Plainclothes and uniformed licemen chased demonstrat throwing them into police vell and unmarked cars. Dissidents

up to 190 people were arre

although it was unclear how #

were still being heid.

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VOTE: Democrats in Disarray

(Continued from Page 1)

would last this long."

campaigning in every state, including Connecticut, which votes Tues-day, Colorado, which holds caucuses on April 4, and Wisconsin, where there is a primary on April 5. Mr. Gephardt made up consider-

expenditures of more than Despite the assertion in 1983 by \$350,000 on television, commer-

> that began before dawn was not quite enough, and it is widely thought in the political community that Mr. Gephardt will withdraw from the presidential campaign to concentrate on seeking re-election

to his House seat. was able to make any real dent on the Michigan electorate, and Mr. Gore looks more and more each for obtaining this type of informa-week like a southern regional can-tion are included in 34 of the 35 didate with nowhere to go now that bilateral tax treatles the United "Super Tuesday," when the South- States has with other nations. In ern and Border states voted, has the past, the service has had diffithe tax agencies of the host govern-

(Continued from Page 1)

IRS: Effort on Taxpayers Abroad foreign tax agencies are either in-compatible with the needs if the IRS or so disorganized that infor-

there. This may eventually involve additional compliance nudits for Americans abroad, but no plans of this sort are now being considered, he said. (A compliance audit is a line-by-line review of a tax return Mr. Bergherm said. He said that to see how well taxpayers are complying with the tax law).

from corporations, financial institutions, and foreign governments. This includes W-2 forms on earn-Neither Mr. Simon nor Mr. Gore ings, or their equivalents, dividend as able to make any real dent on and interest statements, and other financial information. Provisions service plans to act "forcefully" to for obtaining this type of informa-

assisters to U.S. embassies and The plan also involves getting consulates in 180 cives in 70 counmore foreign "third party" data tries during the January through June income tax-filing season, up from 85 cities in 52 countries last year. The assisters provide individual belp in preparing tax returns. Once nonfilers are identified, the seize assets in the United States, but if the taxpayer's assets are over-

assed. culty in getting this from overseas ment. The service bas no power or Only a tiny fraction of Michigan sources, but Mr. Bergherm said authority outside the United States Democrats and independents vot- that recently this has become easied in the caucuses. With more than er. However, the records of many tion with foreign agencies.

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ANALYTICAL SPECIALISTS		Radio Free Europe.			

Finland: Facing Up to 1992

IN THE NEWS

Dec. 4, 1987: Finland Sees Threat to EFTA

Finland's trade minister, Pertti Salo-Free Trade Association (EFTA) could be at risk unless the group collaborates with the

Jan. 20: Nokia Acquires Data Systems Unit

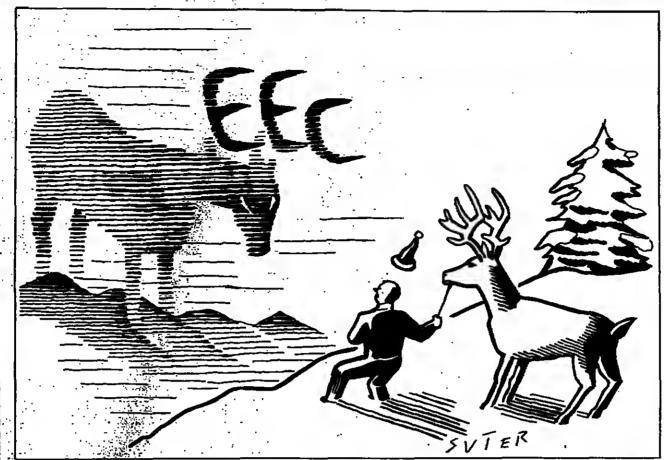
Piòlis AB, Finland's biggest publicly traded industrial enterprise, acquires the data expression of L.M. Ericsson AB, the Systems unvision of L.M. Ericsson AB, the Systems nakes of 80 percent of Ericsson Information Systems makes Nokia Europe's second est maker of data terminals.

eb. 15: Koivisto Re-Elected ident Manno Koivisto is re-elected to econd six-year term by the electoral colge. The 301-member college, chosen in tions that ended Jan. 2, gave the Social mocratic leader 189 votes in a second allot after an inconclusive first round. Mr. oivisto won 47.9 percent of the popular te and 144 seats in the college.

eb. 28: Ice Hockey Team ins 1st Olympic Medal ahe final ice

che match of the Winter Olympies, Finland delivers the only defeat of the Games to The 2-1 victory assures the Finnish leam of a silver medolympic ice hockey. - et no Earlier, the team lost 5-2 to Czechosiovakia, then won easily over West Sefore meeting the Soviet team, Fin-- aland's assistant coa ch Hannu Jor-: Wikka noted: "It's a -4 doesnon of one game, 60 minutes.





Has Neutrality Become Obsolete?

By Max Jakobson

ELSINKI - Finland and the other European neutral nations — Austria, Sweden and Switzerland - are beginning to stir out of their complacent belief in an everlasting status quo.
The immediate challenge they face is posed
by the process of economic integration in
Western Europe: Economic interest pulls

them into the Common Market, neutrality

More fundamentally, the traditional concept of neutrality is coming under critical scrutiny. It is a concept rooted in the experi-ences of two world wars and the military confrontation of the past decades. Will it retain its validity in the more peaceful conditions now evolving between the two alliances?

- pagedie det b. ditte -

Neutrality is usually defined in negative terms, as a refusal to join alliances or to take sides; hardly a slogan to make your blood boil. Yet in each of the four countries, the very word at times has touched the deepest feelings of the people.

COMMENTARY

The Finns, for instance, still remember the passionate declaration of the late President Urho Kekkonen, who at the height of the Berlin crisis of 1961 pledged himself to defend Finnish neutrality to his last breath. Everyone understood what he really meant: It was his way of saying no to military cooperation with

Neutrality always implies the rejection of

another alternative. In theory, a small state lying between rival military blocks can choose

ween joining either bloc or staying neutral. In practice, however, it is inconceivable that a state could choose either of two alliances. For reasons of geopolitics or ideology, normaily only one can be an acceptable alternative. Thus, a state that chooses neutrality rejects the alternative of joining one of the

The position of Sweden at the end of the 1940s is a case in point. The alternatives were neutrality or membership in the North Atlantic Treaty Organization. By staying neutral, Sweden said no to NATO. It followed that the Western powers regarded Swedish neutrality with displeasure, while the Soviet Union

Continued on page 8

Realigning Economic Ties

Integrated EC Poses A Major Challenge

By Henry Tanner

ELSINKI - The Finns, like other neighbors of the European Cornmunity, have their eyes riveted on 1992, the year in which all the remaining barriers to the free movement of goods, labor and services are supposed to be abolished within the community's internal market.

Finnish industrialists are convinced that the European internal market will become a reality by the mid-1990s - rather than on deadline, in 1992, as the negonations between the 12 move from marginal to crucial issues of

national interest. How to gear themselves to cooperation and competition with the emerging new giant is regarded as the overriding issue facing Finnish industry, the labor unions and the government. ment. Finnish companies will have to step up the restructuring processes that are under way to increase productivity, cut costs and seek international alliances, among other things. Finland's distant location from the heart of

Enrope and the relatively recent stage of its industrialization make the challenge more forbidding than in most countries.

As a region, the European Community is Finland's foremost trading partner. It bought 42 percent of Finnish exports in 1987. This compared with 17 percent for the Soviet bloc and 23 percent for the European Free Trade Association (EFTA), which includes Norway, Sweden, Austria and Switzerland in addition to Finland. Imports from the EC increased by 15 percent in 1987.

Among individual countries, only the Soviet Union with 15 percent and neighboring Sweden, with close to 15 percent, bought more Finnish goods than West Germany and Britain, each with 11 percent.

But despite the magnitude of the challenge, public debate about Europe has been muted. This is because the Finns — industrialists as well as politicians and labor leaders — are agreed on the fundamental issue involved: They rule out full membership in the commu mity as being incompatible with Finnish neu-

Of the five EFTA countries, only the Swiss

are equally categorical. There is no such con-sensus in Finland's two Nordic neighbors. In Sweden, a vocal part of the business communi-ty is urging membership on an unwilling gov-ernment. And in Norway, a NATO member whose voters turned down EC membership in a referendum 16 years ago, the prime minister, Gro Harlem Brundtland, has stated that it

Cooperation and competition with the emerging new giant is the overriding issue.

would take a new referendum to reverse that decision -- a risk that her ruling Labor Party is

not eager to face a second time. In Austria, Foreign Minister Alois Mock has come out for full membership and Chan-cellor Franz Vranitzky, more cautiously, has said that he "does not rule it out."

But the situation in Vienna changed last month when the Soviet Union intervened publiely in this internal Austrian debate for the

The Soviet ambassador in Vienna called a press conference and, in answer to an obvious-ly planted question from a Soviet correspondent, declared that the Soviet government "absolutely does not agree" with those Austrian politicians who argue that membership in the community could be squared with the country's neutrality as defined by the 1955 state treaty. Earlier, the ambassador is understood to have delivered similar messages to Austrian officials.

The signal from Moscow has been carefully registered and studied in Helsinki even though made few beadlines in the international

Continued on page 9

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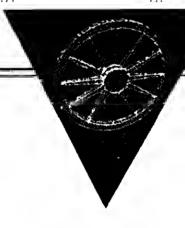
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Industry Finding High-Tech Niche

Some smaller firms have become outstanding in their field.

By Henry Tanner

ELSINKI — Finland, where as recently as 30 years ago almost half the population was still working in agriculture and forestry, is a latecomer to high technology. But during the past 10 years, Finnish companies have made up for lost time.

The country's traditional industries, shipbuilding and wood products, bave made massive capital investments and converted to the latest in computerized manufacturing processes and machinery

While shipyards in the rest of Europe have closed or are struggling against odds, the Finn-ish yards have found prosperity in the two specialized niches in which they excel — modern, electronics-filled icebreakers and other Arctic ships, and luxury cruise liners for the

"We have built 60 percent of the world's icebreakers and one-third of the world's cruise ships," said Tankmar Horn, the chairman of the Wartsila Shipbuilding Company.

The first of two nuclear-powered icebreakers for the Soviet Union is ready to be towed to Leningrad, where the Soviets will fit it with its reactor. It cost \$250 million and will be "the first civilian nuclear-powered vessel built in the Westero world," according to Mr. Hora. It will need to go bome for bunkering every two years instead of the two weeks for diesel-powered icebreakers. A sister ship will be ready in twoand-a-balf years.

Smaller Finnish firms also have made it their strategy to hunt for promising niches that they can fill rather than competing across-the-board with the big established, financially overpowering high-tech industries of Europe, the United States and Japan.

Many of them have done well, and some have become outstanding in their field. Some have been around for 40 or 50 years, but others have been founded recently by young people straight out of the Finnish University of Tech-

One company, Rauma-Repola, recently concluded trials on a new deep-sea research vessel that it says can go to a "depth of six kilometers" (3.7 miles) and thus is able to operate in 98 percent of the world's oceans. The first two vessels have just been delivered to the Soviet

Finnish spending on research and develop-ment, though still only a modest 1.6 percent of gross national product, is picking up. In relative terms, it is now increasing more rapidly than anywhere else in Europe, according to Juhani Kuusi, the director of the National Technology Development Center, which was created five years ago to assist Finnisb compa-

Tecnomen, one of the world leaders in paging systems, is one of the small new companies that have done sensationally well.

Olli Kalervo, its managing director, was 28 when he and a few of his friends turned a former butchersbop into a high-tecb lab 10 years ago. As be tells it, they had little more than a few screwdrivers, a supply of silicon and a total capital of \$60 when they started. After a while, they borrowed some tables and moved to an abandoned school, where they produced their first software control program for Nokia,

the big Finnish electronics group.

The company's first breakthrough came when it developed a novel system of synchronized ultra-high frequency radio transmission for paging messages that, Mr. Kalervo said, "is thought to be the best in the world." The system is able to deliver messages to pocket pagers anywhere the breadth and 700mile length of Finland within 22 seconds without benefit of satellites.

Tecnomen built the first system, which is calls "simulcasting," for Finland three years ago and has since installed similar systems in Switzerland, where it had to solve the problem "getting around the mountains," Austria and Sweden.

"Our most impressive sale," said Mr. Kalervo, "was to Japan, where we beat the leading Japanese manufacturers on their home turf by winning a contract from the city of Tokyo for a paging system that will eventually be expanded to serve 600,000 customers.

The Japanese wanted a display screen on the pagers in Japanese writing. That was a new oblem for the Finns, "but we did that too, because the customer wanted it," be said.

Tecnomen also specializes in modernizing telephone systems. One of its devices is an automatic metering device that registers the length and price of a communication. Another is equipment to pinpoint malfunctions.

The company will devote the current year to consolidation, but next year "we will be ready with another world-scale innovation," Mr. Kalervo said. He added that capital is no longer a problem — "everybody is trying to give us money now."

Vaisala, an older and more established company, is among the world's leading designers and manufacturers of measuring devices for weather forecasting, aviation, road safety management and industry. We are measuring things, that's our busi-

ness; there is no major airline that is not relying on Vaisala measuring for the planning of its routes and for landing and taking-off at international airports," said Yrjo Toivola, the company's managing director.

The company has been producing radio-

sonde sensors, a prime tool of meteorology, since its founding in the early 1930s.

One of its recent innovations is a remotesensing, upper-air wind measuring system that it calls "Wind Profiler." It was put on the

market last May.

As Mr. Toivola explained it, this is a new



Logs are moved in Kemi, Finland. The wood industry, one of Finland's traditional industries, has made massive capital investments in recent years in an effort to modernize and remain competitive.

technology, which, for the first time, provides a continuous, automatic three-dimensional picture of the wind, making it possible to monitor the upper air continuously without sending up balloons. It serves to anticipate hitherto unpre-

dictable "micro bursts" and windshears. These occur when cool air dropping down from the upper strata hits the ground and causes sudden side winds of up to 100 miles an hour. These gusts have been a threat to space shuttles and airliners. The technology was developed at the request of the U.S. National

Also last year. Vaisala developed a system of automated electronic road weather stations, which consist of packages of several sensors that are installed at regular intervals along The sophisticated sensors monitor every

thing from temperatures, humidity, visibility and wind speed to changes in the state of the road surface, including, for instance, patches

The information is computerized and relayed to road maintenance stations and traffic police for action. At a later stage, it will be relayed directly to drivers, who will be warned of ice or fog ahead or asked to change ther

The first integrated road monitoring systems were delivered to the Finnish government lar year, and other countries with severe climate conditions are showing interest.

Mr. Toivola carries the company's newes pressure sensor, a tiny glittering square set like diamond, in his tie clip, on the theory, he said, "that the man from a good high-teel company must be able to carry his product on

interview with the Swedish newspaper Svenska

Dagbladet, Chancellor Franz Vranitzky of

Austria has painted an appealing picture of

Europe in the mid-1990s. By that time, he

believes, the EC might consist of a bard core of

members forming a defense community while

an outer circle could include neutral states,

with Austria acting as bridge between West

Is this merely wishful thinking or a bold vision of future reality? Much will depend on

the course of Soviet policy in the next years. If

New Economic Order Puts Traditional Neutrality Into Question

Continued from page 7

As Machiavelli put it, "The one who is not your friend will want you to remain neutral, and the one who is your friend will require you to declare yourself by taking arms." In the case of Austria, neutrality meant

saying no to the past. Austrian neutrality is, in effect, a promise not to join Germany again. The Swiss, of course, are the purest. They have even said no to the United Nations. The others use the United Nations as a platform to convince the world that their policy is not just a selfish way of saving their own skins, but actually serves the higher interests of the international community by enabling them to provide mediators or peacekeeping forces.

The crucial issue for the neutral countries is no longer bow to balance between the superpowers. It is how to order relations with the

In principle, nothing has changed since the 1960s, when all the neutrals made their choice by staying outside the EC. The four governments continue to adhere to the view that membership in the EC would be incompatible with a policy of neutrality.

There are reasons besides neutrality for not joining. The unique Swiss system of direct democracy and cantonal autonomy could not be reconciled with supranational decision-making in Brussels. In Sweden, the ruling Social Democrats fear a loss of control over social policy. Finland, with an estimated 15 percent of exports going to the Soviet Union in 1987,

looks over its shoulder at Moscow. Austrians, too, must consider a possible Soviet reaction under the 1955 state treaty.

The present drive to create a unified market

within the EC by 1992 is different in character from what took place in the 1950s and 1960s. At that time, economic integration was a means to a political end. The morive was ideological and the purpose was to achieve greater political unity, ultimately a United States of Europe, as a defense against communism. The architects of integration were politicians and

civil servants. Today, It is the businessmen and industrialists of Europe who lead the way. The driving force is technological and commercial, European firms need a bigger home market to be able to meet the American and Japanese competi-

In the neutral countries, too, it is now the businessmen and industrialists who advocate closer ties with the EC. Many of them are inclined to dismiss traditional neutrality as obsolete. Only full membership in the EC, they argue, can ensure participation in making the decisions that descripes according to the control of the control o decisions that determine economic policy with-

The desire to find a way to join the EC without actually abandoning neutrality is espe-cially strong in Austria. The sheer weight of economic interest impels the country in this direction. The EC share of Austrian foreign trade is 60 percent, while the corresponding figure for Switzerland is 55 percent, Sweden 50 percent and Finland 42 percent in 1987.

But there are other, more intangible reasons. Unlike Sweden or Finland, Austria is not a nation-state with a long tradition of resistance to foreign influence. Fifty years ago, the Austrians voted their state out of existence. Now again, they are feeling an urge to merge them-selves into a wider community.

Those who believe that neutrality need not be an obstacle to membership in the EC hold up Ireland as a precedent: a neutral state that is an EC member. But the geopolitical position of Ireland in the backyard of NATO is not comparable to that of the nations living in the no-man's-land between the two military blocks. By calling itself neutral, Ireland simply avoids paying for the security it receives free of

Then there is the thaw in East-West relanions. The Soviet leader Mikhail S. Gorbachey's "new thinking" has raised hopes of a change in the Soviet attitude to the EC. Mos-cow itself is making overtures to Brussels. Maybe it would no longer object to neutral countries joining the EC?

Soviet diplomats have recently made clear, however, that such speculation is wishful thinking. Austrian neutrality is an integral ele-ment in the European structure. Any shift in the Austrian position could set off a chain reaction in Central and Eastern Europe, Mr. Gorbachev, besieged already by demands from nationalities within his own realm, must be anxious to keep things in Europe as they are,

Western policy, too, remains wedded to the status quo. The EC gives no sign of having expansionist aspirations. The community is preoccupied with the task of absorbing Spain and Portugal. It can hardly be interested in acquiring new members, especially not of the kind that would claim exemption from such heavy duty as may be required by common political action or defense.

It is a safe bet, therefore, that the basic structure of Europe will remain intact for at least several years, and the neutral nations will have to find access to the Common Market by European Free Trade Association (EFTA) as well as bilateral arrangements with Brussels.

Yet the bope of change persists. In a recent

and East.

Mr. Gorbachev is able to carry out his grand design, then the sharp edges of East-West confrontation will be blunted, both military alk? ances will reduce their conventional forces and deploy them in a purely defensive manner and the Soviet Union and the other socialist states will become increasingly integrated into the world economy. In such conditions, the line between allied and neutral states will indeed

Such a day is still a long way off. The risk of, a setback is obvious. In the meantime, the skeptics continue to hold the fort. Neutrality. they point out, is like an umbrella one keeps for use in bad weather. It would be foolish to throw it away the moment we see a glimpse of, the sun shining through the clouds.

MAX JAKOBSON is o former Finnish ambas-

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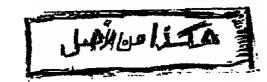
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Continued from page 7

Soviet objections would be even stronger e case of Finland.

is conceivable, a leading Finnish editor that Moscow, which is changing in so iny ways, may one day relax its attitude ward Europe to the point of not caring very uch who is a member of the EC. But that day that Moscow, which is changing in so is not yet come.

Our real debate about relations with the mmunity was in 1972 before we decided to n our cooperation agreement with it," said Magnus Jansson, who resigned last year as in chief of Hufvudstadsbladet. Helsinguage newspaper, to become of the University of Turku.

proposed the agreement at that time, all Democratic Party was divided. the exception of the Communists since lost most of their clout.

Ly most people feel that the 1972 decin is still valid and that no formal new reement is needed, only a senes of steps to monize our economy with the Common arket." Mr. Jansson said, defining the namal consensus on the issue.

- "The Finns, it is agreed, will face community smands for reciprocity in such fields as taxes affeedom of movement for goods, labor and cancial and other services in exchange for ces to the European internal market. But info and others will have time to adjust

airally, after the deadline.

inanish authorities have begun a process of

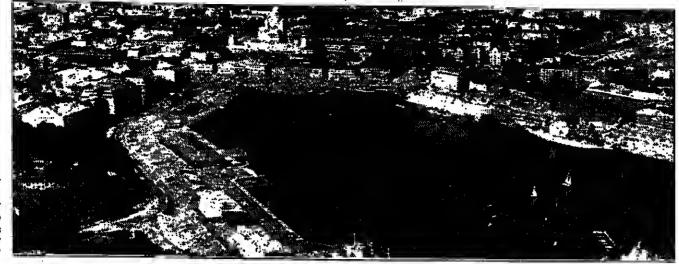
inary adaptation by complying with combre they are issued in Brussels.

Agriculture, which was excluded from the 72 agreement, will be one of Finland's greatproblems. In the late 1940s, almost half the innish population was still working on the nd and in the forests. Today the figure is 10 reent - still twice as much as in Sweden.

ion

The cold climate, the long distance from the propean markets and the long history of otecting the farmers make Finnish agriculral products expensive, and completely out range for competition with Western Europe,

Finland would also find it difficult to agree a free flow of labor. Finnish immigration rices have been strictly enforced for a long



The port of Helsinki.

hard to get that only about 20,000 non-Finns are currently employed in the country. One of the questions that Finnish study groups are asking is what would happen if the doors were opened to workers from Spain and Portugal and later Turkey.

Finland's strongest companies are expandng their presence inside the community and have become active players in the game of European mergers and takeovers in anticipa-

Nokia, the country's largest corporation, be-came one of the leading European color televi-sion producers when it bought the consumer electronics division and parts of the components division of Standard Elektrik Lorenz of West Germany in December. In January, it became the largest Scandinavian computer company with the purchase of the Data Sys-tems Division of Ericsson Information Systems of Sweden.

Earlier it had bought Oceanic, a French television manufacturer. And most recently it announced that it had joined Alcatel of France and AEG of West Germany in a new consortium for manufacturing and marketing cellular mobile telephones.

Other Finnish companies that made major European acquisitions in the last few weeks are Kemira, a fertilizer company, and the Partek Group, a cement producer.

Finnish investment in the EC increased by a pectacular 80 percent last year. There are now 106 Finnish companies with over 50 percent Finnish ownership operating in the countries belonging to the European Community, according to Kari Kairamo, the chairman of Nokia. This is no mean achievement for a country that started its industrialization only

about 30 years ago. But Mr. Kairamo, a self-styled "Euro-optimist," has warned that Finnish industry is still not internationally minded enough and that it continues to lag behind its neighbors, notably Sweden, in making the needed structural changes. He has called for cutting service costs of Finnish industries by means of privatizing what he calls the "virtually closed Finnish service sector."

Some of the problems that the Finns are facing, as they contemplate their future on the rim of an integrated Europe, have surfaced in the unexpectedly bitter labor dispute that has cast a shadow over the country's hallowed national consensus in the past few weeks.

Negotiations for a two-year, nationwide wage agreement between industry and the national labor organization were broken off by the employers in Fehruary and have since been conducted at the level of industrial sectors, where individual unions then raised wage demands that the employers termed exorbitant. The specter of massive inflation was raised for the first time in years. But by late March, all the major unions had signed agreements with more modest wage increases in the range of 4

The employers are angry because the ruling coalition of Social Democrats and Conservatives has made promises on two fronts — a tax reform that would give wage earners an as yet unspecified break, and new labor legislation that would give workers a greater say in management decisions. The employers accuse the Conservative Party, which entered the government after the parliamentary election of last year, of letting them down.

Finland has long been a "capitalist dreamland," in the words of Olli Kivinen, the foreign editor of Helsingin Sanomat, an influential daily. The welfare state was late in coming and the Finns thus were able to avoid the mistakes that others made. Education and the social services are among

the best, but taxes are low, And the welfare system has not become stifling as in Sweden. Industrialization has been rapid and profits

high, and prosperity has been spread.

But now there are clouds that darken the HENRY TANNER is on the staff of the Inter-

which protected the Finns from past Western recessions, is tied to the oil price and thus has fallen drastically. Consumer industries, shoes and others, are in trouble.

And industry and the unions are looking "through different glasses," in the words of one

Industry has its eyes on the fall of Soviet trade, the uncertain world economy and the costly challenges of European integration. It wants to improve productivity and move pro-duction capacity ahroad. Nokia, for instance, nearly doubled its work force from 28,000 to 50,000 in a few years, but its Finnish work force is still only 24,000, according to an indus-

Finnish workers, especially those in the metal industry, point to the profits that industry has made in the past years and argue that the income of wage earners has not kept pace. New groups of highly skilled white-collar workers in the technical industries want their share.

Labor, a union official said, accepts the need for worker mobility, for improved productivity and shifting production capacity abroad. But in an age of mergers and takeovers, it wants more influence on management decisions, he

An industrialist replied that industry does not object to workers' representatives on its boards but wants to select people from its own staff and not be told by the union whom to take. Both were commenting on the pending labor legislation.

Few think that the national consensus, to

which the country owes decades of labor peace and prosperity, is at an end. But many think that in the future consensus may be more patchy and more difficult to achieve

"A year ago we had ultra-stability, now things are very much in movement," said Mr.

"The Russian reactors are not the Chernohyl

Mr. Wahlroos at the Trade and Industry

Ministry said there were no plans to sell Ke-mira shares to the public. He noted that for

many managers in state companies "it is a matter of prestige" to be listed on the stock

The government official pointed out that since 1983 by law, state companies have to be run with commercial efficiency. But Mr. Nordqvist at Valmet remarked that Finnish

types." Mr. Nikinmaa stressed.

exchange

Perestroika Creates **New Opportunities** For Deals in Russia

By Juris Kaza

THE Soviet Union's increasing openness to economic cooperation with the West would seem to threaten Finland's "privileged" trading position with Moscow.

Instead, observers say that Soviet invitations for Western companies to form 49 percent to 51 percent joint ventures have created a new husiness opportunity for Finland — selling its experience and know-how on dealing with the world's largest planned economy.

The situation for Finnish husiness is not clear. There will be heavier competition, but also new opportunities," said Tauno Tiusanen, owner and president of Tietokaerki Oy, a consulting company specializing in East-West

Vesa Turtiainen, manager of East-West Trade Finance at the Union Bank of Finland. remarked that "there is a great deal of potential interest among Western companies for using the know-how and consultative services of Finnish banks in order to expand their business with the Soviet Union.

"There are inquiries here by American comanies who feel there is expertise in Finland they could utilize," said Kenneth Norton, first secretary for commercial affairs at the U.S. Emhassy in Helsinki.

Many Finns have also jumped on the joint-venture bandwagon. Of about 18 known pro-jects as of late 1987, five involve Finnish com-

One of the earliest and most highly publicized projects is Finnair's joint venture with Intourist to renovate the Hotel Berlin in Moscow. Jaako Pöyry, the forestry and forest in-dustry consulting group, has started a joint venture in its consulting specialty in Lenin-

At least three of the joint ventures, all apparently to be located in the Republic of Estonia. should be interesting to Soviet watchers as well as husinessmen, according to Mr. Tiu-sanen. Estonia lies close to Finland and its language is closely related. Before the onceindependent country was occupied by Soviet troops and incorporated into the Soviet Union in 1940, there were close cultural and trade ties

The three joint ventures in Estonia are: a wood protection coatings plant where the Western partner is the Finnish subsidiary of Danish paint-maker Sadolin, now part of Sweden's Nobel Industries group; Kati-Myynti, a Finnish clothing company, which has entered a joint venture to make clothing in Estonia, and Makrotalo, a maker of prefabricated housing. Makrotalo will locate in Parnu in Estonia.

The proposal that Estonia be made an autonomous economic area was first raised on Sept. 26, 1987, by four Estonian Communists in the Tarturnewspaper Edasi. In a 10-point proposal, Sim Kallas, Tut Made, Edgar Savisaar and Mikk Titma asked, among other things, that all economic activity in Estonia be controlled by institutions on Estonian soil. They also asked that all economic activity in Estonia be controlled by institutions on Estonian soil, and that the Soviet Republic be permitted to trade with Western countries and other parts of the Soviet Union on free-market principles

lawmakers are not always the best sharehold-The four —only one of whom, Mr. Savisaar, is a planning official whose work involves the economy—also called for the use of a convertible ruhle in foreign trade, greater competition "The government sometimes is not a good owner," he said. "Other causes go ahead of us in the parliament, such as social problems, the usual political issues. We need quicker access among enterprises in Estonia and an increase in the cooperative sector of the economy, where member-owned enterprises set their own Juris Kaza prices and operate for profit. Currently, many



industries in Estonia and other Soviet republies are run as part of centralized ministries with their headquarters in Moscow,

Tomas lles, an Estonian research analyst with Radio Free Europe in Munich, said the proposal "has been one of the hottest items of dehate for the past six months" in Soviet Estonian media. But he cautioned that the attitude of Moscow officials toward the proposal "is that they say interesting, but practically in-

With political and economic power closely interwoven in a centrally planned economy, the economic autonomy plan would also amount to radically expanded *de facto* political independence for the Baltic republic under its own Communist leaders.

An official at the Finnish-Soviet Chamber of Commerce in Helsinki said "there has been speculation in the Finnish press about this autonomy idea, but we have no specific information about it."

"Finland is definitely the spearhead of joint ventures with the Soviets. The Germans are reluctant. They have very precise lawyers for-mulating every word of the agreement," he

Mr. Turtiainen, of the Union Bank of Finland, said: "We have had contacts with U.K. and American companies. They get in touch with our operations in London and New York, and we have a representative office in Moscow, as do four other Finnish hanks. We can offer market research, mediation of business contacts, and, of course, financing and payments

Mr. Tiusanen, however, cautioned that no Westerner should expect the joint ventures to be gold mines, unless he were eager to make a

"Repatriation of profits is allowed, but only in the framework of self-sufficiency in hard currency, including repatriated profits," he said. He explained that until rubles are convertible. Western companies will only be able to repatriate profits if they use the Soviet plant as a hard currency export platform.

"My guess is that convertibility is impossible in the next five years." Mr. Tiusanen said. "They must create the preconditions. They have to start publishing gold and hard currency reserves, and they are not doing it now."

JURIS KAZA, based in Stockholm, contributes regularly to the Imernational Herald Tribune's

State Sector: Too Profitable for Privatization

is not want to give up a good thing, and when it comes to industrial companies, hit happens to own quite a few good-

te-owned companies account for around Spricent of Finland's industrial output and aboy 12 percent of the industrial work force. most part, the state co Thile privatization in other countries is a

istion of finding owners to run enterprises are efficiently than the government, Finin's problem is persuading the state to give I public a share of the pie.
Why should the state sell out profitable appanies. We take out in dividends as much

we give them in new capital, so it is a selftancing business," said Bror Wahlroos, sectary-general of Finland's Ministry of Trade ad Industry. Mr. Wahlroos quickly added at his statement simply illustrated the rea-ning that goes on. In principle, he said, the wernment favors share issues by state com-

"One thing must be clear, it is not an issue of realization in Finland, but of whether some ate companies should be listed on the stock zhange." Mr. Wahlroos said. He pointed out that historically, "Finland

has never had a nationalization. The state companies were either founded as such, or they were acquired by ordinary purchases of

The state companies include Finnair, the national airline, Kemira Group, a fertilizer-maker, and Valvilla Oy, a textile manufacturer whose name means "state wool" in Finnish.

Currently, only shares of Enso-Gutzeit Ov the forest products group in which the state holds a majority interest, are traded on the Helsinki Stock Exchange. But there has been discussion of listing at least two other companies, Valmet Paper Machinery and Kemira.

Managers at state companies want their companies listed in order to get quick access to

capital at market prices.

"The state always huys new shares at the nominal 100 markkaa per share," said Haakan Nordqvist, vice president for public affairs at the Valmet Corp. "Equity and reserves add up to around 400 markkaa per share and that's about the market price we think we could

The company's subsidiary, Valmet Paper Machinery, has received government permission to do a share issue, but Valmet's management has been pleading for an issue for the group as a whole.

Timo Nikinmaa, an analyst with Unitas

Ltd., the securities trading subsidiary of Union Bank of Finland, said: "I'm certain Valmet Paper Machinery could be very interesting for the market. It is a highly profitable company and has been operating at full capacity because of the boom in the forestry and paper indus-

Asked about speculation that Kemira, the fertilizer and chemical group, was another can-didate, Mr. Nikinmaa said: "They are a likely candidate, but what is uncertain is the timeta-

Another observer in Helsinki guessed that one reason for Kemira's recent reluctance to comment on whether it may list its shares was that announcement of specific plans could be just around the corner.

Unitas' Mr. Nikinmaa discounted predicnons that Neste Oy, the state energy group, would be listing shares. "They hold a monopoly on refining, and I don't think a monopoly will be allowed to be listed." he said. But the Finnish analyst said Imatran Voima, a power company that operates, among other plants, two Soviet-built nuclear reactors, is sometimes mentioned as the first utility that could be heading for the Helsinki Stock Exchange. Currently, there are no utility companies traded in

This advartisement appear

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NOKIA

Nokia Corporation

Helsinki, Finland

March 1, 1988

DM 250,000,000 51/4 % Bonds of 1988/1993

Issua Price:

Frankfurt am Main

51/4% p.a., payable annually in arrears on March 1 March 1, 1993 at par

Repayment:

Commerzbank

(Deutschland) AG

Kansailis-Osake-Pankki

Schweizerischa Bankgesellschaft

Algemene Bank Nederland N.V.

Deutsche Bank

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Banque Paribas Capital Markets GmbH

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Westdeutsche Landesbank Girozentrala

Berliner Handelaund Frankfurter Bank Genarale Bank

Schweizerischer Bankverein (Deutschland) AG

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Helsinki, Finland

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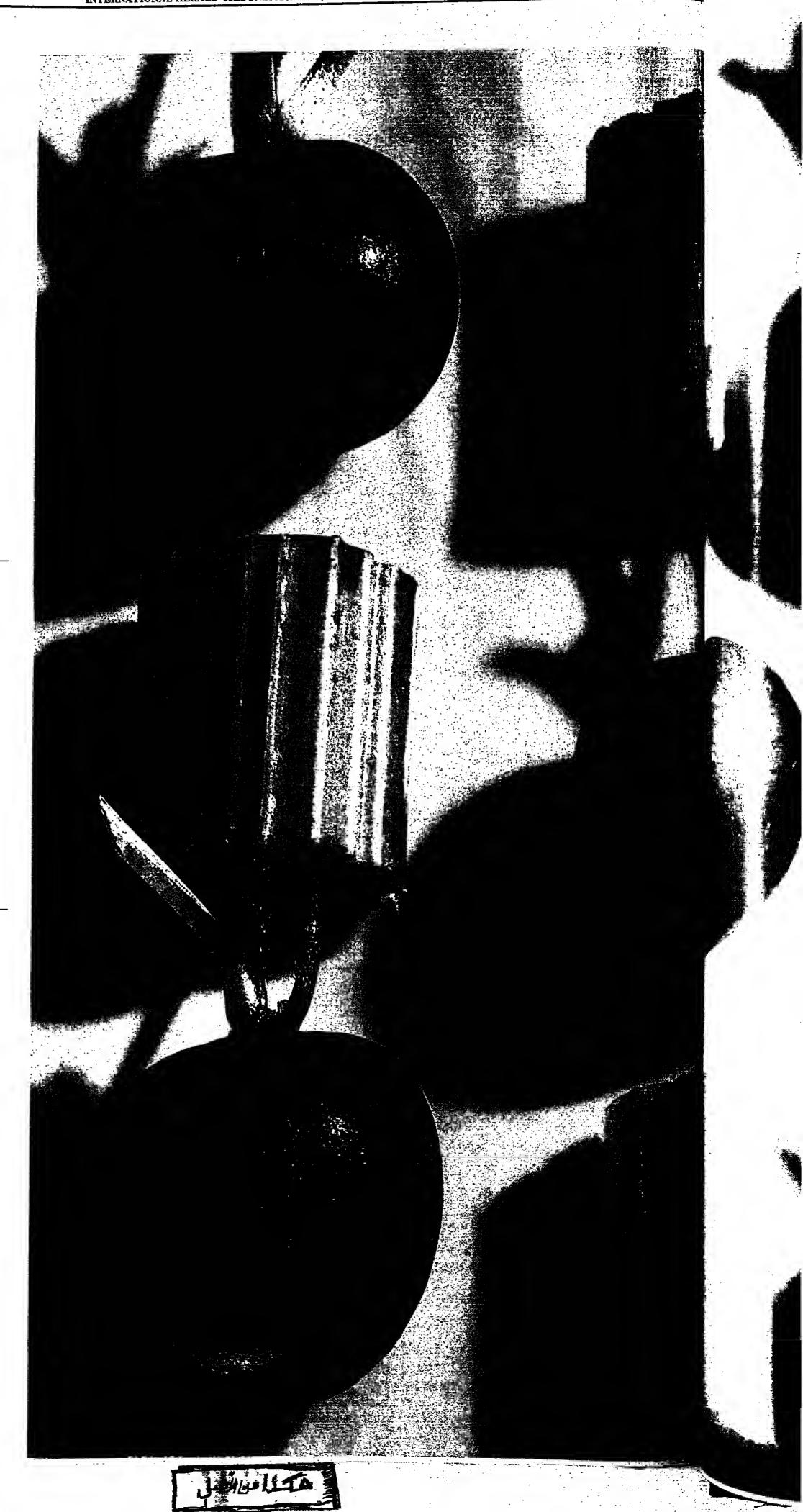
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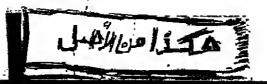
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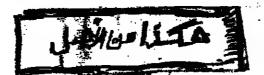
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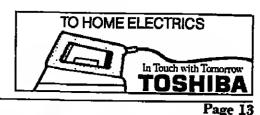
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NDAY, MARCH 28, 1988

EUROBONDS

all in Dollar and Stocks Not a Replay of October

By CARL GEWIRTZ

PARIS — Storm flags were hoisted over financial markets last week. A sudden slippage in the yen-dollar exchange rate triggered a sell-off in the U.S. stock market, which sent stock prices in Francisco. ket, which sent stock prices in Europe and Japan down the currency decline feeding into weaker and then world stock prices had the sickening look of a gisy, albeit less violent, of last October's market chaos.

Eriday's decline on Wall Street, which left the Dow Jones

mistrial average down 4.3 percent for the week, was echoed murday by a 305.99-point drop in Tokyo, leaving the Nikkei pck average down 2.5 per-nit for the week.

Recent currency

But there are significant dif-princes between last week id October that make it imible to compare the two

movements are a hiods. kast October, the Reagan ministration was in a public

mixture of dollar weakness and yen inte with West German ofis over their conduct of

metary policy and withdrew its defense of the then prevailing of exchange rates. That's not the case today.

The Federal Reserve, the Bank of Japan and other central his were reported last week to be intervening to try to calm the eign exchange market.

Teign exchange market.

Also not to be overlooked, says Giles Keating of Credit Suisse ist Boston, is the evidence that, unlike last October when the flar fell against all currencies, last week's action in the foreign market was a mixture of dollar weakness and yen anyth. The yen rose against the dollar by just over 1.25 percent. EDeutsche mark gained only 0.75 percent against the dollar, fining that the yen appreciated 0.5 percent against the mark, why is the yen appreciating? Analysts agree that this is red to the end of the fiscal year on March 31. Japanese that this is red to the end of the fiscal year on March 31. Japanese that this is red to the end of the fiscal year on March 31. Japanese that the yen appreciating to make new investments. As a result, outbound that means virtually no sales of yen for suments dry up and that means virtually no sales of you for

eanwhile, money continues to flow into Japan. Whether it's ign investors buying yen assets or Japanese exporters con-ing sales income to home currency, the foreign exchange ket becomes a one-way street of yen buying.

TVEN the recent volatility of exchange rates, last week's movement can hardly be considered dramatic. But it was so for technical analysts who plot the changes on chart and discern future movements based on the shape of the min. The dollar's drop below 126.60 year pierced a major chart are the perturbation of the perturbatio int. The next major point is 125 yen and on Friday the dollar has low as 125.10, before closing at 125.35 in New York,

Montechnical analysts have other worries. They are concerned on the investment strategy Japanese investors will adopt for the fiscal year.

With Japan's economy growing more strongly than elsewhere, is widely assumed that the Japanese will find ample investment diets at home and not need to look abroad. And it is also widely amed, given the three-year decline of the dollar's value against eyen and the big losses investors have suffered on dollar dings, that not much of the private money flowing out of the third year will wind up in U.S. dollars.

That would put both downward pressure on the dollar and and pressure on U.S. interest rates, since the United States and it more difficult to continue financing its huge currentand it more difficult to continue imaging to may an deficit. Such pressure will be inevitable if, as many att fear, the pace of U.S. inflation begins to quicken this year, inficipation of such problems, says a Salomon Brothers analysis and Evans, probably explains why the dollar started to

dated to all these worries is the recent evolution of real trates — what's left after climinating inflation. the end of 1986, there has been a worldwide convergence rates. In 1986, real rates on 10-year government bonds from 4 percent to 8 percent (8 percent in Britain, 7.25 in Germany, 6 in the United States, 5 in Japan and 4.5 in

By list month, the latest period for which full data is available, bringe was down to 4.25 percent to 6 percent (6 percent in linin; 5.5 in West Germany, 5.25 in Canada, 4.25 in the United

rites and 3.75 in Japan).

Real U.S. interest rates have moved from the middle of the the to near the bottom.

This is bad news for the dollar since the return on U.S. assets fers less to investors than purchases of British, German or madian assets where real rates are higher and where the ation outlook is rosier.

This explains why Eurobonds denominated in sterling and hadian dollars have been so popular in recent weeks. But it's See EUROBONDS, Page 15

Currency Rates

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Last Week's Markets All figures are as of close of trading Friday

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IBM's Pro-U.S. Strategy High-Tech Giant Acts to Ward Off

Japanese Threat By Andrew Pollack

New York Times Service
SAN FRANCISCO — International Business Machines Corp. has tional Business Machines Corp. has offered to supply vital computer chip technology to its archival, Digital Equipment Corp., rather than see Digital become increasingly dependent on Japanese suppliers, according to a new book and sources in the industry.

The offer, reportedly made last year, attests to the seriousness of the concern with which IBM, the largest U.S. computer manufacture.

largest U.S. computer manufacturor, views the growing dependence of the American computer industry on Japanese semiconductor tech-nology. IBM believes such dependence will weaken the entire American electronics industry and, ultimately, IBM, the sources said.

The report also attests to the huge, mostly behind-the-scenes role that IBM is playing in trying to prop up the American semiconduc-tor industry in the global battle for industry in the global battle for the future of the electronics indus-

IBM was a prime mover behind the formation of Sematech, a research consortium of the nation's leading semiconductor companies, whose purpose is to make the American semiconductor industry competitive again. The Japanese electronics companies have made great advances and now are world leaders in some areas of semiconductor technology.

It would be a rare move for IBM

to license its advanced semicon-ductor technology or sell chips to a dictor technology or sell chips to a competitor because the company views the technology as one of its major competitive weapons. But it would be particularly surprising for the company to offer such technology to Digital, the second largest U.S. computer maker and one that has been making great gains in the marketplace recently at IBM's expense.

nior associate at the Carnegie Endowment for International Peace in Washington.

writes, "IBM approached Digital Equipment Corp., its most danger-ous domestic rival, and offered to transfer certain key technologies. At first DEC suspected a trick, then it realized the objective was to prevent DEC from falling even fur-ther into Japanese hands." IBM declined to confirm or deny

See IBM, Page 16

GTE Satellite Launch A Lift for the Industry

WASHINGTON — Conveyed live on a big-screen television, the scene provoked wild applause from several-hundred employees of GTE Spacenet Corp. who had gathered over punch and finger food in a ballroom earlier this month.

From across the Atlantic Ocean in western Africa, a three-stage rocket was seen blasting off into the late-night darkness. Soon it had carried into space GTE's Spacenet-3, the first U.S. commercial satellite in two years to successfully achieve orbit.

Four days later, rocket engines fired again and the satellite soared

without mishap to its permanent station, about 22,300 miles (36,100 kilometers) above the equator. Technicians at consoles in the company's sixth-floor control room in McLean, Virginia, are now running it through a complex series of checkout drills, with plans to begin service relaying commercial communications sometime in late April. GTE Spacenet's success was welcome news for the U.S. telecom-munications industry. It has restored some of the optimism that prevailed in the era when satellites were popped into the sky several-

"We're very happy to see that launches have been resumed," said Sigrid Badinelli, spokeswoman for Intelsat, the Washington-based international communications consortium that operates 13 satellites. The old days ended in January 1986 with the loss of the space shuttle Challenger and the subsequent ban on commercial cargo in future shuttles. Although the current crop of satellites is still sufficient to handle most needs, the time may not be far away when it will be more difficult — and more expensive — for companies to exchange computerized data, for ships to committee with their house ports and for television networks to distribute their signals. home ports, and for television networks to distribute their signals

The immediate problem, other than pent-up demand for satellite capacity, is that satellites wear out and need to be replaced. Ten-year life spans are common in the solar-powered orbiter, and once a satellite runs out of the liquid fuel that powers trajectory corrections, it is useless. Typically, the last bit of juice is used to propel it to oblivion in deep space.

oblivion in deep space.

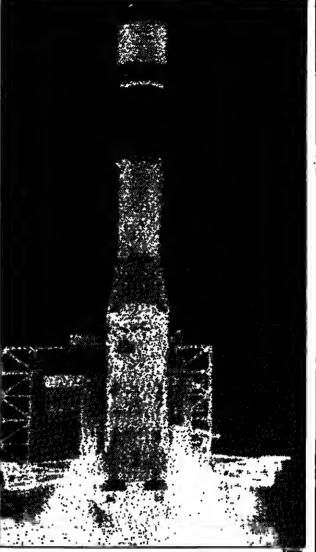
With government launches unavailable, satellite operators began scrambling to find privately provided transport into space.

Three American companies — Martin Marrietta Corp. of Bethesda and General Dynamics Corp. and McDonnell Douglas Corp. both of St. Louis, Missouri — have stepped forward to offer expendable rockets, but they remain unproven in the commercial field. So, too, is China with the "Long March" launcher that it is promoting with foreign customers.

For now, the only commercial player with a track record is the European consortium Arianespace, which operates a launch center in French Guiana. It was an Ariane rocket that carried GTE Spacenet's satellite into orbit this month.

The McLean-based company, a subsidiary of GTE Corp, of Stamford, Connecticut, had relatively minor disruption in the reordering of the space program because it had already signed with

dering of the space program because it had already signed with Arianespace for the launch of most of its satellites. Only one GTE



The GTE communications satellite Spacenet-3 on its way to a successful orbit earlier this month aboard an Ariane rocket.

"bird" was slated to ride the shuttle, in December 1986, and it has now found a slot aboard an Ariane rocket scheduled for launch later

this year.

Still, in dollar terms, the shortage of launch vehicles has been a costly development. GTE Spacenet's president, C.J. Waylan, estimates his company lost about \$10 million by tying up money in a See SATELLITE, Page 17

IMF Sees Growth Of 2.6%

Revises Upward Forecast for 7 Nations in '88

WASHINGTON — The economies of the seven leading industrialized countries should grow by 2.6 percent this year and by 2.8 percent in 1989, according to economists at the International Monetary Fund.

The forecast for this year is slightly higher than an interim as-sessment made after October's worldwide collapse of stock mar-

It puts the projection back to what the IMF was forecasting in September.

The forecast is contained in the IMF's latest world economic out-

Although it will not be published until the IMF's board of governors meets in mid-April, its broad out-lines were disclosed by monetary officials in Washington.

After the stock market collapse, the fund's economists shaved their forecast for growth in the seven major countries, the United States, West Germany, Japan, Britain, France, Italy and Canada, to 2.5

But the world economy, although still relatively sluggish, has apparently withstood the shock of the stock collapse better than ex-

The outlook, which was discussed on Friday by the fund's ex-ecutive directors, also forecasts that world trade will grow by 5.4 percent this year and by 4.5 percent in 1989, according to the monetary

For U.S., Make-or-Break Week on Trade Disputes

By Stuart Auerbach

marketplace recently at IBM's expense.

IBM's offer is reported in a book scheduled for publication in late April. The book, "Trading Places: How We Allowed Japan to Take the Lead," was written by Clyde Prestowitz, formerly the Commerce Department's chief trade negotiator with Japan and now a senior associate at the Carnerie Senior administration officials and trade specialists on Capitol Hill believe there is a good chance

of coming up with a trade bill that

President Ronald Reagan will sign

ate and administration are great.

In mid-1987, Mr. Prestowitz

and a short list "of things we want."

The trade disputes involve Japanese barriers that prevent foreign companies from participating in its public works are rejected and citrus quotas also expires on March 31. A senior administration official said progress needed to be made by Monday on ending barriers to foreign participation in a public works, are rejected and the light of the light in placed within public works projects and the country's long-standing restriction on imports of beef and citrus prodby the cabinet-level Economic Po-

Japan's unwillingness to drop trade restrictions is inflaming anti-Japanese feelings in Congress, according to

differences among the House, Senprotection of politically powerful supporters of Japan's ruling Liber-But administration officials said at Democratic Party.

The Reagan administration has

Friday that the bill could be vetoed if Congress gets too "greedy." They said it contains "a pretty long list of things we are not thrilled about" dispute, and a four-year accord on on other issues.

by the time Congress goes home for ucts. Both have become highly licy Council that could lead to U.S. Easter recess on Friday, although symbolic issues and involve the retaliation.

Although the trade bill and the negotiations with Japan are sepa-rate, administration officials said Japan's unwillingness to drop the given Japan until the end of the trade restrictions are inflaming month to resolve the construction anti-Japanese feelings in Congress

conferees working with administration officials have made major strides in crafting a trade bill that Mr. Reagan will sign from separate bills passed by both houses.

Secretary James A. Baker 3d and the U.S. trade representative, Clay-ton K. Yeutter, and House and Among the issues outstanding

are the amendment sponsored by Representative Richard A. Gephardt, a Democrat of Missouri who is a candidate for the presidential nomination, that would force retaliation against countries that re-fused to cut trade surpluses gained through unfair tactics. The Scnate conferees rejected

the Gephardt amendment and of-

On Capitol Hill, House-Senate fered an alternative that would also force retaliation against unfair tac-tics but that is less objectionable to the administration.

bills passed by both houses.

But some of the most controversial issues remain on the table for what is likely to be a long week of bargaining amoog senior administration officials, led by Treasury Secretary James A. Baker 3d and the senior of the most contentious travers.

There is also general agreement that conferees from the House Ways and Means and the Senate Finance committees will be able to work out their differences, even though they are considered great.

In one of the most contentious issues, involving sanctions against Toshiba Machine Co., the Senate, House and administration take dif-

government's position further complicate their efforts. On Tuesday, a Japanese court fined Toshiba \$15,000 for illegally selling strategically significant ma-chinery to the Soviet Union and

gave suspended jail terms to two Toshiba executives. The action angered Senator Jake Garn, a Republican of Utah, so much that he pulled back a possible compromise.

Non-OPEC Nations Seen Holding Key to Prices Returns up \$1.45 since the beginning of bors might be more inclined to stick Inc. "However, if the price of oil to their quotas."

producers, which the cartel says are might be persuaded to reduce output by about 5 percent if OPEC did

likewise, U.S. analysts say. They said the 13-nation Organization of Petroleum Exporting Countries and non-OPEC producers must cot back production over a sustained period if world oil prices were to stabilize near OPEC's target price of \$18 a barrel.

Seven non-OPEC producers are expected to announce steps soon to help boost oil prices, an Arab oil official said last week. They are Egypt, Oman, China, Mexico, Ma-laysia, Angola and Colombia. OPEC, meanwhile, has called a price committee meeting in early April to examine weak world oil

Crude prices seesawed by as much as a dollar a barrel last week, with West Texas Intermediate, the U.S. benchmark grade, ending

OPEC countries are now propumping more than 500,000 extra ducing at or under their self-imbarrels a day into world markets, posed ceiling of 15.06 million barrels per day, excluding Iraq, according to the OPEC president, Rilwanu Lukman of Nigeria.

Analysts say OPEC has resisted calling an emergency meeting of oil ministers, fearing that any production cuts on the cartel's part would be quickly made up by non-OPEC producers eager to increase sales.

Mr. Lukman recently blamed non-OPEC producers for adding to the weakness of oil prices. He said non-OPEC producers now were pumping between 500,000 and 1 million extra barrels each day into a glutted market.

William Hermann, chief economist of Chevron Corp., estimated aggregate production for the group of seven non-OPEC producers in 1988 would total about 7.65 million barrels per day.

He said one plan rumored to be firmer at \$17.03 on Friday in an- under consideration was a 5 perincipation of the OPEC price com-cent cut in output by the seven, mittee meeting analysts said They which would remove about 382,500 mittee meeting, analysts said. They thought prices would probably remain volatile until the OPEC panel. "Fundamentally, a 5 percent de "Fundamentally, a 5 percent de-

crease in output by these seven North Sea Brent, the most widely non-OPEC nations is a step in the traded international crude, ended right direction," he said. If the almost unchanged for the week at non-OPEC production cutbacks \$15.40 for April delivery. That was hold over time, then OPEC memMehdi Varzi, an analyst with cut back."

Kleinwort Grieveson in London, said another possible plan would first quarter of 1988 will come to 25.51 million barrels per day, up have both OPEC and non-OPEC producers trim production by about 5 percent. Mr. Varzi estimated such a cutback would eliminate about 1.1 million barrels per day from the world oil market.

But analysts say non-OPEC producers are likely to resist requests for voluntary production cuts be-cause oil is the primary source of revenue for many.

Non-OPEC production in the

170,000 barrels from last year, according to Data Resources inc. William Veno, an analyst with Data Resources, said production cutbacks by OPEC and the seven non-OPEC producers might be in-sufficient unless Norway, Britain

But Sanford Margoshes, an oil "At today's prices, I can't picture analyst with Shearson Lehman non-OPEC producers wanting to Hutton Inc., said a cut by even a lose market share," said Sarah Emfew non-OPEC producers would be erson, vice president of the U.S.- an important step in balancing based Energy Security Analysis world supplies and demand.

KLEINWORT BENSON (JAPAN) FUND SICAV Luxembourg, 37, rue Notre-Dame R.C. Luxembourg B 8.528

Notice of Meeting

Messrs Shareholders are hereby convened to attend the Annual General Meeting which will be held on April 13th, 1988 at 4.00 p.m. at the offices of Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal. Luxembourg, with the following agenda:

Receipt of the Reports of the Board of Directors and of the Statutory Approval of the Balance Sheet and the Profit and Loss Statement as at December 31, 1987.
Payment of a dividend.

Discharge of the Directors and the Statutory Auditor in respect of the carrying out of their duties for the year ended December 31st. 1987. Re-election of the Directors and the Statutory Auditor for a new statutory rerm.

Directors' remuneration.

Miscellaneous business as may properly come before the Meeting.

Resolutions on the above mentioned agenda will require no quorum and the resolutions will be passed at a simple majority of the shares present or convenented at the Meeting.

and the resolutions will be passed at a simple majority of the shares present or represented at the Meeting.

Holders of bearer shares may vote at the Meeting in person by producing at the Meeting a certificate of deposit which has been or will be issued to them against deposit of their share certificates with Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, Luxembourg or Kleinwort Benson Ltd., 20 Feachurch Street, London, E.C.3.

Holders of bearer shares may vote at the Meeting by proxy by completing the form of proxy which will be made available to them against deposit of their share certificates as aforestid or presentation of their certificates of deposit. In order to be valid all forms of proxy must reach the company at Kredietbank S.A. Luxembourgeoise or Kleinwort Benson Ltd., five clear days prior to the Meeting.

Share certificates so deposited will be retained until the Meeting or any adjournment thereof has been concluded.

Holders of registered shares may vote at the Meeting either in person or by proxy by completing a form of proxy which will be sent to them.

By order of the Board of Directors

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and there is no withholding tax on interest or dividends. 4. Luxembourg is a atabla, prosperous financial centre in the heart of

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New International Bond Issues Compiled by Laurence Desvilettes

issuer	Amount (millions)	Mat.	Coup.	Price	Price end week	Terms
FIXED-COUPON		:		1.55		
Manuberi Int'l Finance	\$ 40	1993	9	1011/2	· .	Noncollable, Fees 1%%,
Draeger Finance	- DM 70 .	1993	51/4	100	98.50	Noncoliable, Fees 2%,
Luithansa int'i Snance	DM 500	1998	5%a	100 .	97.00	Noncollable. Fees 295%.
Philip Morris Componies	DM 250	1993	4%	1011/2	98.35	Noncollable, Fees 2%
eally Peck Int'l	DM 100	1993	6	open	98.00	Noncollable. Fees 2%, Price to be set April 6.
Sweden	£ 100	1993	9%	10114	99.50	Noncollable, Fees 13/%.
Swedish Export Credit	£ 50	1993	91/2	1011/2	99.65	Noncollable, Fees 1%%.
Finland	# 600	1995	91/4	100	98.25	Noncollable, Fees 1%%.
European Investment Bank	DF 200	1994	514	1611%	99.70	Noncollable, Fees 1%%.
Banca Nazionale del Lavoro	ECU 100	1994	7%	1011/4	.98.88	Noncollable. Fees 1%%.
Finnish Export Credit	ECU.100	1992	7%	101%	99.25	Noncollable, Fees 196%,
Postponkki	DK 300	1992	10	101%	99.88	Noncollable. Fees 1905.
BGE	C\$ 300	1993	9%	101%	99,38	Noncollable. Fees 1%%.
Bergen City	cs 40.	1993	9%	101%	99.13	Noncolable, Fees 1%%.
Glub Med	C\$ 100	1992	9%	101%	99,38	Noncollable. Fees 1975.
Edmonton City	C\$ 75	2008	9%	10014	99.75	Redeemable at par in 1993 and 1998. Fees 1%%.
General Electric Capital Canada	C\$ 200	1993	91/2	101%	99.50	Noncollable. Feet 1%%. Increased from C\$150 million.
GMAC Canada	CS 150	1993	9%	101%	99.75	Noncolicible. Fees 1%%
National Trustoo	C\$ 75	1993	10¼	1011/4	99.38	Noncollable. Fees 1%%.
Oesterreichische Laenderbank	C3.75	1993	9%	101%	99.50	Noncollable, Fees 176%.
University of Wontreal	C\$ 20	1993		101	<u> </u>	Noncollable, Fees 196%.
Creditanstalt Rankverein	Aus\$ 60	1992	12%	101%	·	Noncolloble, Fees 1906.
Westpac Banking	Aus\$ 65	.1991		10134	100.25	Noncolable. Fees 1926.
Overzee	Y 15,000	1993	1%	101%		Coupon will be 13% in this first year and 7% thereafter Redeemable and callable at partin 1991. Redemption amount will be linked to the price of the Japanese government boar futures contract the June, 1991, Issue split equally in a bear and a bull tranche; Teel 196%.
Guangdong Int'l Trust Finvestment	Y 20,000	1993	5%	101%	-	Noncolloble: Fee: 78%
Norway	y 50,000	1995	51/6	101%	100.08	Noncodable: Fees 176%
COURTY-LINECED	 x :			٠.		787
Bara	\$120	1993	open	100	106.00	Coupon indicated of 4%%. Noncolloble, Each \$5,000 not with one womant exercisable into company's shares at a expected 21% premium. Fees 24%, Terms to be set Mord 31.
Fuji Heavy Industries	\$ 150	1993	4%	100	106.00	Noncollable. Each \$5,000 note with one warrant exercisable into company's shares at 631 year per share and at 128 year.

UROBONDS: Decline Is Not a Replay of October

1993

Galactic Holdings

Nippon Seiko

tomora Securities

Wasing Machine

rest payments that will be imdescribed from buying German givernment bonds.

Nevertheless, analysts worry

man givernment bonds.

Nevertheless, analysts worry

hat the experience in West Germamay be signaling that real rates renot headed back to historic lowcr leads but have plateaued at should percent. If true, that means

is mored last week by Philip Firsold 250 million DM of fivetear notes bearing a coupon of 4% offered at a price of 1011/2. commissions paid to un-it yielded 4.87 percent;

less 3 percent where it ended last week it yielded 5.10 on five-year domestic govunderwrite the issue say they re-

Norway's 50 billion Euroyen issue also raised comment. The traditional lead manager Nomura was displaced by Dawa. Market rumors had Daiwa providing a cutthroat currency swap that gave Norway floating rate dollars at an exceptionally low cost of 45 basis points below the London interbank

The Canadian dollar sector reing of the long dormant. French mained the most active with eight franc sector, with an issue of 690 new issues launched and the preyimilion francs by Finland our week by Philip flouis, where delivered the mained the most active with eight franc sector, with an issue of 690 new issues launched and the preyimilion francs by Finland our week's General Flouisian preyimilion frances by Finland our increased by 50 million dollars to.

200 million.

BCE, the former Bell Canada offering price the paper 300 million dollars, equal to the largest this sector has ever seen. The issue was priced to yield 1/2 for higher yields. Last week saw the point over comparably dated do first issue denominated in lina mestic government bonds and was immediated on the domestic market. well received. The large size was a "The 100 billion lira, seven-year isstill below the yield of 5.17 comfort to institutional investors, sue for the European Community who equate size with secondary was priced at par bearing a coupon market fiquidity.

Confinued from first finance page). The issue created a minor scanthe city of Edmonton with an issue of only 75 million dollars also attracted institutional support volatile aftermath have sbaken are not having the same effect by smatching the mandate to underpointing foreign capital into the write the deal away from Swiss mestic investors who like the credit.

Deutsche mark. Historically, real Bank Corp. To register their object. Its 20-year bonds were priced to gittes in West Germany have been should be pricing and Deutsche. Its 20-year bonds were priced to gittes in West Germany have been should be pricing and Deutsche. Its 20-year bonds were priced to gitte in West Germany have been should be pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event, much like the pricing and Deutsche was a seminal event of the was a seminal One obvious explanation is that mandate, the major Swiss, West quest early redemption after five extreme in this group suggest that investors put their money under The Canadian dollar sector is in

1993 4% 100 - 116.00 Noncolloble, Each \$5,000 note with one warrant ene

DM 100 1993 1% 100. -114.00 Noncollable, Each DW 5,000 York with warrants as

favor not only because of the high level of real rates but also thanks to the corrency's continued strength against the U.S. dollar. Analysts say there is no immediate concern about the corrency. The central bank is seen using appreciation as a means of curbing inflation, even if that means losing exports.

Collable at 125 in 1990. Each \$1,000 note is convertible into 16.15 shares of Newmont Mining Corp. and 50.72 shares of Galactic Resources at an expected 15% premium. Fires 4%.

255% premium, Fees 256%. Terms to be set Morch

company's shares at 4,326 yen per share and at 128 yen dollar, \$140 million Issued in Europs, \$60 million in Asia.

Noncollable, Each \$5,000 note with one worrant enercisable into company's shares or 574 year per share and at 128 year per dollar. Fees 24%

sman company's shares of 4,336 year per share and of 76.05 year per mark. Fees 24%.

108.00 Coupon indicated at 4%%, Noncollable, Each \$5,000 note

of new Eurodollar paper. Only BCE, the former Bell Canada Marubeni tapped the market for Enterprises, tapped the market for \$40 million, which really was a pri-

"U.S. investors are also looking

Short-Term Boost to Rates Is Seen

Many drop in stock prices may procontend that innerest rates are nev-orbicas likely to remain mired in author tange they have occu-

The analysis remain relatively me because, in spite of jitters stronger economic growth history commodity prices, there ther the economy or inflation will the up in the near to medium

narket does not have much change raght now, said John Ta Securities International.

most analysts believe which expanded become rate diving the last

no and it is growing at the day 2 percent in the

issue due in 2017 are likely to re-

The 30-year issue briefly broke tary policy. through the upper end of that range last week, but yields, which peaked

U.S. CREDIT MARKETS

Friday, the issue was offered at a meeting." price to yield 8.681 percent, un-

changed from March 18. The recent weakness in the stock market prompted a number of porfolio managers to reallocate funds it is hard to find any ue this week, said Joel Marver, chief fixed income analysts at Technical Data International, a fi-

nancial advisory firm. that stocks are going to tumble."

cent decline in the stock market NEW YORK - The recent main within a trading range of 8.50 will likely be another reason why percent to 8.75 percent for the next analysts said that the Federal Refew weeks, until a clearer picture of serve's Open Market Committee, the markets but most analysts the pace of economic growth which meets this week, is not likely to recommend a change in mone-

> "I think they will leave policy unchanged until they get more information on the economy," said James Fralick, a principal and senior economist at Morgan Stanley at about 8.80 percent early on & Co. "At the most, they may write Thursday, subsequently retreated a directive that allows them to after a two-day 88 point drop in the tighten if certain conditions devel-Dow Jones industrial average. Late op between now and their next

> > One of those conditions may be a further decline in the dollar, which came under pressure last week against the Japanese yen.

pact on the equity and bond marpercent in 1987 from 4.2 percent in the sets is almost certain to be negative, and the Fed may be forced to region.

The commission sain that the regions of the continues weakened percent in 1987 and is the major cent in 1987, and Singapore, at 8 Lanka and flooding in eastern little cause of concern in the regional percent, had their highest expandia and Bangladesh.

"I think people probably went said. "If the dollar drops back to partly because of uncertainty over and Taiwan, along with Hong the impact of last October's plunge Kong, achieved a remarkable 11.7 early January, or close to it, you In addition to mixed evidence have the potential for stocks and and individual economies. In addition to mixed evidence have the potential for stocks and But it said that if the recession—tiveness as the yen surged against and the same but it said that if the recession—tiveness as the yen surged against ary effects were not excessive, the U.S. dollar.

Macy's High-Risk, High-Yield Financing Plan

ated Department Stores hit the in- cent. securities to finance its proposed takeover of the retail chain.

The financing is primarily being sought from U.S. institutions, but nvited. It consists of four parts:

• \$600 million of what are called ncreasing rate notes. Interest on percent. hese eight-year securities is based on the three-month London interbank offered rate and the margin paid to lenders starts at 500 basis

The financing is conditional on points if n the takeover taking place. If it does not, institutions participating in the financing will receive a kill fee wholly over the financing will receive a kill fee. al 50 basis points during the first being syndicated by Drexel Burnthree years. Thereafter, the quarter- ham and Kidder Peabody. ly step-up is 25 basis points.

13/16 percent, meaning that by the beginning of the fourth year — assuming an unchanged Libor rate — interest would surpass 18 percent. However, there is cap to the interest asymptot of 18 percent. Because the projects when up to a third is drawn points when up to a third is drawn.

extendable reset notes. This senior subordinated debt, also for eight terms were too tight but admitted years, is to carry a fixed coupon of that institutions doing business around 12% percent for the first three years. Subsequently, the coupon will be reset to assure that the notes trade at a premium price of

By Lawrence J. DeMaria

New York Times Service
NEW YORK — Probably the
most time-honored investment axi-

om is this: When everybody starts

pushing the same products, or starts predicting the same things,

do just the opposite.

Well, that axiom can be put on hold for a while. It's impossible to

find a consensus on Wall Street.

The Street, of course, has always been a cauldron of divergent opin-ions. That's good business; diversi-

But diversity is one thing. Total

"I would qualify as extremely bullish, not just as a bull," said Suresh L. Bhirud, chief investment

strategist at Oppenheimer & Co. "I

think we have a very good chance to test the old high, 2,700, on the

"I'm an unrepentant bear," said Justin Mamis, the strategist for Cowan & Co. "Take profits every-where, and move to the sidelines."

- Rarely have the experts been as divided about the future: Depend-

ing on whom one listens to, Wall

ing bull market, or an erosive bear market. The Dow is heading to 3,000, or maybe 1,300. That kind of

But other analysts consider the

October move a "correction" -

shocking to be sure — but a nor-

mal, inevitable pullback that got out of hand because of program

trading and portfolio insurance.

These analysts believe that there

was never any bear market, or if there was one, Wall Street has al-

While there has been criticism

that some market analysts are

pushing stocks at the same time that their own portfolios are

hedged, it would be hard to accuse

either Mr. Bhirud or Mr. Mamis of

Mr. Mamis's "when in doubt,

vote for cash," opinion stands on its own. And Mr. Bhirud has been a

consistent bull. He joined Oppen-

heimer just days before the October

crash, and believes now, as he did

then, that the Dow Jones industrial

It sometimes seems as if they are

talking about different stock mar-

bear market rally that has been

of the erosive type, a la 1930, and

1973-1974. Those are the two best

warning signs that were in place the October crash.

average is eventually headed to-

ready passed through it.

stock shilling.

ward 3,000.

ect is either in the midst of rag-

ty breeds sales.

diversity is what

Treasury bills.

their mattresses.

confusion is another.

On Wall St., Be Sure

To Look Both Ways

ternational market last week with \$\infty\$ 5200 million of nine-year convertible bonds carrying an expect-package of high-risk, high-reward ed coupon of 8 to 9 percent. These would be issued in the name of

INTERNATIONAL CREDIT

nternational banks are also being Macy's but convertible into stock of the merged Macy's-Federated chains at a premium of around 29

In the more traditional credit Three-month Libor is currently 6 market, Alfa Laval of Sweden interest payment of 18 percent. Beyond that level, lenders would receive additional notes instead of
cash.

The basis points for up to two-thirds
and 12½ basis points for more.
Front-end fees range up to 5 basis

Bankers complained that the

Kymmene Corp., the largest for-est products company in Finland,

just before the October smashup

"We have a weak utility average, a weak bond market, enormous

speculation in the over-the-counter tertiary technology stocks, buge

new offerings, an overvaluation of price-to-dividend ratio and an enormous increase in bullishness,"

He concludes, basically, that the stock market is headed down, per-

haps for a year or more, notwith-standing what be terms the Dow's current "deceptive creep upward."

Mr. Bhirnd doesn't think so.

"Black Monday itself was an ac-cident, caused primarily by portfo-lio insurance and by indexed mutu-

al funds that swapped out of stocks and bought futures," he said. Its

potential damage to the economy, be said, was limited by the fact that small investors were not in stocks.

"It did not have the negative effect

that people thought that it should because many people were not hurt by that accident."

see a recession. I'm telling my cli-

ents not to sell out at these low

on the borizon.

start buying."

of Mr Mamis's

are in place now.

available for drawing for a period of 90 days and bears interest of 17½ points over Libor and front-end basis points over Libor. The sec-fees amount to 22 basis points, giv-

The commitment fee on unpoints the bank paid last year for a drawn amounts is 6% basis points 10-year loan. But bankers command the interest rate on any draw-

Trans-Tunisian Pipeline Co., paid to lenders starts at 500 basis the financing will receive a kill fee wholly owned and guaranteed by gan as dealers for a \$200 million forms points over Libor and then rises, of 50 basis points of their under-every three months, by an addition—writing commitment. The offer is al 50 basis points during the first being syndicated by Devel Russ.

SNAM, appointed Bank of Amerian Chase Manhattan Corp. and be exp ca to arrange a \$60 million, fiveyear loan. Interest will be set at 1/4 point, or 121/2 basis points, and front-end fees range up to 1212 ba-

sis points.
The terms are a touch tighter than last year's loan, which carried generous enough. However, SNAM has also sold an option to convert the loan into French francs and the profit from that could be used to sweeten the fee structure if

By Carl Gewirtz

International Herald Tribune
PARIS—The contest for Federand Department Stores hit the in
**Section million of senior subordinated named Citicorp to arrange a \$150 icates of deposit, giving holders a million syndicated loan. The sevenbetter chance to trade the paper year facility is divided into two clements. One, for \$50 million, is traditional syndicated loan.

ond, for \$100 million, is fully reing an annual total return of 17 volving throughout its seven-year basis points. This is slightly more term. basis points. This is slightly more than the all-in cost of 1514 basis

of China has appointed Citicorp, used to encourage some of the CSFB, Merrill Lynch and J.P. Morcountry's most advanced rural re-

mercial paper program, the bank's the direction of market-oriented first. The program is being arranged by Chase Investment Bank

China has taken major steps in

an identical margin but front-end fees of only 7% basis points. However, bankers complained that the additional 5 basis points were not of the guarantee could raise its bor-controls over agriculture. rowing cost by 5 to 10 basis points,

bankers estimated.

CP dealers noted last week that Federal Business Development Corp. of Canada currently pays the continue of Canada currently pays the would raise food prices for city that proves necessary.

Czechoslovakia's Obchodni

Banka, the foreign trade bank, appointed First Chicago to arrange a

\$50 million, five-year loan. This will be issued as floating rate certif
would rise food prices for dwellers.

Mr. Conable said Friday that World Bank would monitor a reform experiments conducted the U.S. Treasury pays to raise the Chinese in two provinces.

One aim of the experiments conducted the Chinese in two provinces.

Stock Declines Said to Bar Hong Kong Rate Increase

HONG KONG - A Wall Street-led decline in major stock markets has stifled possible increases in interest rates in Hong Kong, according to analysts.

The Hong Kong Association of Banks said Saturday that it would maintain the current prime rate of 6 percent. There had been mounting speculation of a half to three-quarter point rise in the

Stockbrokers said bankers probably changed their minds because consecutive falls on Wall Street triggered a sell-off in Hong Kong.

They sure don't want to rock the boat," said Laurence Amerine of DMT Securities.

The Hang Seng index of Hong Kong stocks closed 44.47 points lower at 2,501.93 on Friday. The Dow Jones industrial average closed more than 40 points lower on both Thursday and Friday.

Many bankers, including David Li, general manager of Bank of East Asia Ltd., and G.C. Goh, treasurer of Standard Chartered Bank, had said last week that an interest rate increase was imminent.

Though their association decided on a standstill scene bankers. Though their association decided on a standstill, some bankers

said they expected that would be reconsidered after Easter. They said persistent low rates croded their profit margins.

Hong Kong's interest rates been have lagging behind those of the
United States and other financial centers. Hong Kong authorities
have kept rates down to dampen demand for the Hong Kong dollar

amid speculation that it would be revalued against the U.S. dollar.

Speculation eased when the bank association said earlier this
month that it was ready to introduce penalty charges on savings and
deposit accounts with a balance of more than 1 million Hong Kong dollars (about \$123,000).

And because. "portfolio insur-ance is basically dying of natural causes, and program trading is also basically slowing down," Mr. Bhirud does not see another crash **New York Stock Index Limit** "A 40 percent decline in stock prices normally discounts not one recession, but more than one recession.

recession, but more than one reces-sion," he said. "And since I don't By Anise C. Wallace New York Times Service

prices. In fact, I'm telling them to NEW YORK - For the fifth time since early February, stock For his part, Mr. Mamis could prices have come close to setting care less why the market collapsed. off the automatic ban on comput-"All the crashes are the same," he erized stock trading at the New said. "It doesn't make any differ York Stock Exchange. But once ence what caused the selling. A again the computers were left alone technician is not concerned with as program traders backed off, why, but with what happened. While that may be little comfort

why, but with what happened."

While that may be little comfort
As a technician, Mr. Mamis to investors who saw the Dow charts stock prices, support and re-sistance levels, and draws historical nearly 90 points over Thursday and parallels among market cycles. Friday, the fact that the restriction Economic news, good, bad or indifigure is keeping a lid on price moves in ferent, plays little part in technical any one day is seen as restoring analysis. Mr. Bhirud, a fundamen-confidence in the market.

tal analyst, is more interested in the The NYSE ban prohibits memeconomy, the dollar and various ber firms from using the Super Dot macroeconomic interrelationships. computer system to execute trades

But this does not necessarily exfor stock index arbitrage after the plain the difference of opinion. Dow moves up or down 50 or more There are fundamental analysts points in one day.

who disagree with Mr. Bhirud, and Such a measure was regarded as technical analysts who draw con- necessary to restore faith in the clusions that are the exact opposite equity markets after the October collapse because individual inves-For example, Gene Jay Seagle, tors and some institutional portfothe head of technical research at lio managers complained that pro-Gruntal & Co., said: "If this is the gram trading was making the

bull market that 1 think it is, we should eventually see all-time new highs, which would mean taking us be correcting itself before it pierces the 50-point level.

1929 crash, said he believed that that we're back in an environment like 1985, "said David K. Schafer, a which he also attributes to program surance, principal of Schafer Capital Management, a New York investment the current market had a short and management firm. That was before "Every time there has been a big panic-type of sell-off," Mr. Mamis said, "it has been followed by a was "compressed" by modern trading procedures.

As a crash or as a bear market. ed wild swings in stock prices.

followed by a second bear market it's over," he said, adding that his to take advantage of the price diftechnical analysis of individual stock patterns has convinced him tures contracts, which reflect the age firms also backed off before the that the stock market would soon value of the index stocks, and the ban would have taken effect. For Mr. Mamis also said that all the return to the level it was at before stocks themselves. the rest of the day the varning signs that were in place the October crash. Friday was the fifth session since narrowly, traders said.

the limit was adopted in early February that the Dow bas approached the 50-point limit. The Dow rose 47.58 points on Feb. 10 and 48.41 on Feb. 29, while it fell 48.24 on March 10, 43.77 on Thursday and

44.92 on Friday. But traders and portfolio managers said that investors should not become too confident. "For it's only small comfort," said Mi-chael F. Holland, president of First Boston Asset Management, which has more than \$4 billion in client

Investors may not understand that, if the Dow falls more than 50 points in a day, program traders can execute trades of their baskets of stocks by hand instead of comouter. Most of the major firms are Weekly Sales prepared for that event.

And that, in turn, could scare investors and send prices sharply lower, traders said.

Judging by Thursday's market activity, the limit appears to be smoothing cut market smoothing out market swings. The stock market was under selling pressure all morning as the dollar fell against the yen. Futures traders in Chicago then began selling stock index futures contracts. That, in turn, caused program traders to be-gin buying the cheaper futures and

selling stocks in the cash market. But by the time the Dow had dropped almost 40 points at midday, the action shifted. Futures sellers, who try to anticipate the action of the arbitragers, first backed off. They guessed that most program traders, the buyers of the contracts, would stop their arbi-In index arbitrage, traders seek trage programs once the market to take advantage of the price dif-reached its 50-point limit. In fact, ferences between stock index fu- the program traders at the broker-

impact might not emerge until later

the rest of the day the Dow traded

China Loan By Daniel Southerland Washington Past Service BEIJING — The World Bank is considering its first policy-linked loan to China, according to the bank's president. Barber B. Conings is 15 basis points over Libor not large enough to make it complus a utilization fee of 5 basis politing. The London branch of the Bank able Jr. The \$300 million would be

World Bank

Considers

Conditional

certificate of deposit program.

Chase Manhattan Corp. announced last week that it had established an unlimited Euro-com- changes aimed at further moves in

China has taken major steps in that direction, but additional steps Credit National of France is re- are likely to prove more politically

Lifting the controls would be

dwellers.
Mr. Conable said Friday that the World Bank would monitor rural

reform experiments conducted by One aim of the experiments will

be to see whether grain subsidies can be climinated. Another will deal with changes in land-use

Acceptance of the loan agreement by the Chinese appears to reflect a new sense of confidence on their part.

A few years ago, it would have been inconceivable for the Chinese to accept a loan linked to policy

changes. Given China's earlier history of foreign invasions and domination, many of the country's Communist Party leaders once considered the idea of taking advice from foreign-ers to be humiliating. But the loan will help to make

the World Bank a partner with the Chinese in both the formulation and carrying out of major policy changes, according to one of the bank's experts.

The new loan would be used initially to finance imports of fertilizer, pesticides, agricultural machinery and other agriculture-related imports. Starting at a low level in 1981, the World Bank rapidly ex-panded its loans to China to more than \$5.5 billion pledged over the

China is now one of the bank's largest borrowers. It received \$1.42 billion in loans in the 1987 fiscal

■ \$12 Billion Pledged

The bank will lend China \$12 billion from 1988 to 1992 as part of a new medium-term plan of cooperation, Xinhua quoted Mr. Conable as saying, according to a Reuters teport from Beijing on Sunday.

Euromarts At a Glance

	or. 23	Mar. 16
LS. s, int'l lost, 8 yrs & over	9.20	7.07
public issuers. 8 yrs & over	9,11	7.02
other lappers, 8 yrs & over	8.97	7.02
other issuers, 5 to 7 yrs	8.89	6.84
bounds sterting, 5 to 7 yrs	7.67	7.46
ranch trancs, less than 5 yes	7.21	7.32
CU. S yrs & over	8.13	8.17
S to 7 yrs	7.75	7.79
on. 1. 5 to 7 yrs	7.63	9.71
us. S. 5 to 7 yrs	1246	12.77
LZ. S., Jess thum 5 yrs	14.35	14.54
en, 8 yrs & over	5.80	5.87
5 to 7 yrs	4.93	4.95
ource: Luxembourg Stock Ex	chang	2

Cedrel 5 Nons 5 Nons 1440.00 1/92.70 2/94.00 2/92.00 2/93.00 2/94.00 2 2837.30 2.259.10 9.647.30 2.815.20 8 Mon5 N Nom5 5.079.30 7.459.10 11,842.50 11,909.50 338.50 378.50 1.805.10 531.20 1.21.20 12,000 7.462.40 2.506.80 1,924.70 107.40 27,722.50 47.60 8.544.70 9,145.00 23,132.70 14,174.60

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If the mid-range computer business is in trouble, as many analysts were warning in mid March, why a the automotive company which was first to adopt computer technology using 500 Prime minicomputers at a cost of half a \$ billion? Write, phone fax or teles for complimentary corports expolaring inter-period. mentary reports explaining inter-related growth eruptions in all branches of this

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UN Body Sees Slowdown in Asia-Pacific Growth This Year

in 1987, according to a regional United Nations commission.

The Economic Commission for annual economic and social survey that growth in gross domestic prod- from the Pacific islands to Iran. If the sell-off continues, the im- uct, adjusted for inflation, rose to 6

The Bangkok-based body said that growth projections for this We think rates could go to 8.60 The dollar is at the back of that growth projections for this percent in the near term, he said, everyone's mind," Mr. Marver year were tentative and hazardous,

Renters growth in the region this year They were likely to be worst aftionary pressures in the previous BANGKOK — Economic would be about 5.6 percent, with fected by the fallout from the stock two years, the survey said. growth in Asia is expected to slow the slowdown most marked in the market slump, with average growth India's growth slowed to 2.4 perthis year after expanding strongly newly industrialized countries of rates down to 7 percent or 8 percent cent, half of that in 1986, and this East Asia. It said there were big disparities

after the October "aberration,"

trading and portfolic in

in economic performance in the re-Asia and the Pacific estimated in its gion, which includes communist and capitalist states and stretches Growth in the region's 11 least

> growth picture, the survey said. vantage of added export competi- percent in 1986.

was the main factor in the South in 1988, the survey said. The economies of the Southeast Asian subregion's deceleration

Asian countries recovered well af- from 5.1 percent to 3.2 percent. ter falling in 1985 and 1986, mainly The survey said bad weather afbecause of problems with primary fected many states, and the full commodities. impact might not emerge until later. The commission said that the this year it mentioned drought in

sion rates in more than five years. It Econometric forecasts have low-But the newly industrialized described Thailand's economic ered their estimates of world gross states of South Korea, Singapore growth of nearly 6 percent as ronational product growth rates by I The survey said growth in China the survey said. That could imply a

Growth decelerated in 1986 be- Eastern and Southeast Asian econcause of fiscal measures, after infla-omies.

to 1.5 percentage points for 1988 rose to 9.5 percent in 1987, from 7.8 slowdown in export growth, which

had fueled expansion in the major

Presidio's Bid

New York Times Service

Enterprises has agreed to pay \$24 a share, or a total of \$339

million, for Sabine Corp., top-

ping a competing bid for the independent Dallas oil and gas concern from the Presidio Oili

Earlier this month, Sabine

had rejected as inadequate a

\$20-a-share bid from the Den-

ver-based Presidio, which

withdrew its offer Friday.

"They may have seen value we didn't see." Presidio's chair-

man, George P. Giard Jr., said.

"We believe our offer was fully

Industry analysts agreed that Pacific Enterprises of Los

Angeles, the parent of the larg-

est U.S. natural gas utility, was paying a premium for Sabine's

reserves. Company officials

said the proposed buyout fit-

the report. "We would consider any such activity proprietary," said Paul Bergevin, a spokesman for the

A spokesman for Digital also said that if such talks occurred,

they would be proprietary.

But Samuel H. Fuller, corporate vice president for research at Digital, said such cooperation would

not be that unusual in an industry

in which competitors are often each other's suppliers.

"In many ways, IBM and Digital share a common fate," he said. "The U.S. either is or isn't a good

place to develop computer sys-

Mr. Prestowitz does oot elabo-

rate in his book about what tech-

nology was offered or whether Dig-

Four other industry sources, who

declined to be identified, verified

that IBM had made such an offer,

Indeed, the sources said, it appeared that IBM made a series of

ital accepted the offer.

priced."

LOS ANGELES - Pacific

For Sabine

Chicago Merc Puts Daily Price Limits Into Effect New Offer Tops

By Julia Flynn Siler

New York Times Service CHICAGO — The Chicago Mercantile Exchange put into effect Monday a new system of adjustable daily price limits on its Standard & Poor's 500-stock index

futures and options contracts. The limits, which were approved by the Commodity Futures Trading Commission last week, will permanently replace the emergency price limits imposed by the Merc on Oct. 23 to calm the violent price swings in the market.

The new limits will be established monthly by the exchange. They will be raised or lowered depending on the settlement price of the contract on the last day of the

Merc, the largest U.S. market for cannot be used.

stock index futures, reduced the new daily price limits to 15 points, from 30 points. The change is roughly equivalent to a 125-point move in the Dow Jones industrial average. The limits may range from 15 to 25 points.

Io theory, price limits stabilize the market by slowing or halting trading when the limits are reached, giving local traders time to review their positions. Price limits are common in agri-

cultural futures, but have long been opposed in stock index futures by exchange officials and some industry experts. They have argued that limits effectively sever the link between the stock iodex futures market and the cash market. If trading in futures halts, certain trading For the rest of this month, the strategies, such as index arbitrage,

"The idea of limits is generally against the concept of free mar-kets, said William J. Brodsky, president of the Merc, in a tele-October, it is the responsible thing ket. to do. We would much rather regulate our own markets than let someone from the outside do it."

Some experts believe the stock market's collapse in October was accelerated by program trading strategies, which involve the use of computers to trade index futures. options and huge blocks of stocks.

Mr. Brodsky further emphasized that the Merc was the first exchange to put price limits into place. Such "circuit breakers" were

stock market collapse. Limits have since been adopted by the New York Futures Exchange and the Kansas City Board of Trade. Howphone interview. "But given the ex- ever, adjustable limits are a oew perience we had in the markets in idea to the stock index futures mar-

> The Merc has also proposed to the Commodities Futures Trading Commission a 5-point "opening limit" for the start of trading each day. Under that proposal, if the price of the S&P 500 moved more than 5 points, or the equivalent of 40 points in the Dow Jones industrial average, at the opening, trad-ing would be balted for 10 minutes.

The proposed limit is intended to prevent the huge price imbalances between the S&P 500 futures and later recommended by the presi- the underlying index that occurred

dential commission's report on the during the stock market collapse.

led Pacific Enterprises' goal to raise its oon-utility income to 50 percent of earnings by 1992. Pacific Enterprises, which recently changed its name from Pacific Lighting Corp., owns Southern California Gas Co. and Thrifty Corp., which operates drug and sporting goods chains.

A 'Muddy' Market for Mini-Supers

By Thomas C. Hayes New York Times Service

DALLAS - Severe price cutting and the market clutter created by many new products have slowed growth in the mini-supercomputer industry, which many analysts had thought could achieve \$1 billion in sales in 1990. Although demand continues to rise and sales hit \$300 million last year, these experts now think the industry will not reach the \$1 billion benchmark until

Meanwhile, the emergence of a new class of desktop supercom-puters meant for individual users is likely to leave some potential buy-ers confused and take away a sig-nificant part of the lower end of the mini-supercomputer market.

"The market is in the midst of a difficult adolescence," said Gary P. Smaby, managing director of Piper, Jaffray & Hopwood Inc., a brokerage in Minneapolis.

Mr. Smaby said that the coming introductions of the desktop supercomputers would "further muddy the waters" for prospective buyers. A buyer who in the past might have purchased two mini-supercomputers to be shared by many scientists or engineers might now buy just one mini-supercomputer and several of the new desktop models, which cost less.

Robert J. Paluck, president and chief executive officer of Convex Computer Inc. in Dallas, the mar-ket leader in mini-supercomputers. said the desktop models were sim-

nology on its own.

ply faster work stations with improved graphics capability.

"Our strategy is to separate our-selves by going toward the higher end of our market," he said, "which means building the fastest machine possible for under \$1 million." The Convex computer is meant to be used by several dozen people at

and the state of t

The market for the new desktop computers 'is rapidly growing but not enough to support all the contenders.'

Jeffry Canin, market analyst

Jeffry Canin, an analyst in San Francisco with Hambrecht & Quist, said. The market clearly is build faster, more complex n very viable and rapidly growing, chines that inevitably have a time but not sufficiently enough to support all the contenders."

The shakeout we've seen is a product shakeout, not a market shakeout" said Donald E. Eckdahl, chairman and president of Multiflow Computer Inc., of Bran-ford, Connecticut, which raised \$36 million in venture : capital since 1984. It released its first product last year and bas sold 19.

dropped from the mini-superce puter race, which began live ye

a mother !

The most logical and widely nicipated competitor. Digi-Equipment Corp., has been slow join the fray. With 510 billion sales, Digital is dominant in market for the conventional ? slower minicomputer, but it lost some ground to the upsia who created the mini-superco

Their machines in some cases. 10 times faster and cost halfmuch as Digital's aging mode priced at \$800,000. Analysts a Digital's response, called Pegas could be in production late i year. Few details about that it chine's speed and price are know

Cray Research Inc., whose percomputers are priced from million to \$20 million, sells main to large corporations, universiti and government agencies. It is r expected, by choice, to be a fact io the broader, mini-superce puter field. Cray's strategy is build faster, more complex n million-dollar prices.

That means Convex and Allia Computer Systems Corp. of Litt ton, Massachusetts, are likely. maintain their positions as sal leaders, at least until Digital ente the market, said George Weiss, technology analyst with Garte-Group, a research company Stamford, Connecticut.

Chicago Exchange Options

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approaches over the past two or three years.

OTC Consolidated trading for week ended friday. . . . Sales in Net 100s High Low Close Chipe 12 155 QY 41 414 + 16 是在不是我们的时候是我的时候就是我的是我们的自己的时候,但是我的人的一句话,我也就是我的的,我们就是我的自己的,我们还是一个人,我们我们就是什么的的。 1966年,1966年,我们就是我们的人们是我们的一个人的,我们就是我们的一个人的,我们就是我们的一个人的,我们就是我们的一个人的,我们就是我们的人们的人们的, STANDER OF THE PROPERTY OF THE

IBM: High-Tech Giant Countering the Threat From Japan's Chip Maker

known as emitter-coupled logic.
Digital needs such chips in its large computers and is oow totally dependent on Japanese suppliers. The sources said that Digital would be interested in dealering such techniques. other companies. To accommodate IBM's chips, Digital would have had to change its computer designs and become dependent on IBM for interested in developing such tech-

However, the sources differed on whether IBM offered to license the. technology to Digital or merely to sell it the chips. It could oot be determined whether an agreement nanas," one source said. was reached.

IBM also offered to sell conventional computer memory chips, known as dynamic random access memories, to Digital, according to three of the sources.

Some sources said that IBM, in addition to its interest in reducing dependence on the Japanese, may have had another purpose in selling the chips — fresh revenue to belp it recover its semiconductor costs. If IBM were considering such sales,

The sources said that Digital de-clined IBM's offer of memory chips partly because the chips differed from the standard chips sold by

Moreover, there was suspicion that IBM might oot give Digital the latest technology. You've got to be a little suspicions of the gorilla, even when he's offering you banness of the gorilla.

The issue of dependency on foreign chips has become charged in the past two years. Some analysis say U.S. computer companies are becoming dangerously dependent

on Japanese chip makers.

The Japanese chip makers.

Fujitsu Ltd., Hitachi Ltd., Toshiba Corp. and NEC Corp. - also are major competitors in the computer business and could use the depen-dence of their American rivals to competitors for the equipment their advantage. In the current needs.

One of the important technologies offered by IBM, according to two of the sources, concerned special high-speed memory chips, which are made by a technology known as emissional high-speed by a technology chips are smitter companied between the chips of the largest users ample, some executives feel if apparese computer companies. The sources said that Digital decrease the chips of the largest users ample, some executives feel if apparese computer companies, ing their own chip needs belong the control of the largest users ample, some executives feel if apparese companies, and the largest users ample, some executives feel if apparese companies. ing their own chip needs beforelling to outsiders.

> The fear of dependence, which dismissed by other people in indi try and government as overblow was the basis for a report issued. a Defense Department advisc arm last year that led to gover ment financing for Sematech.

> IBM makes most of its or chips, and would therefore be e-pected oot to be concerned abc dependence on the Japanese. Act ally, however, it seems more of cerned than anyone else, accordi to the sources. That is because IB depends on other companies the equipment and materials it us to make chips.

Without a thriving Americ semiconductor industry, IBM 1 lieves, the chip making equipmeindustry will also withe IBM dependent oo its Japane

oles in 1905 High Low Close

NASDAO National Market

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1.52 67 30 27 22 28 1.700 41 1.44 49 1.40 22 -40 20 .85 3 .84 1,1 40 32 .80 3.7 280 1.8

ini-Super Property: Another Plus for Raiders

New York Times Service NEW YORK - Corporate raidused to look at one thing in cking an acquisition target: the the of a company's businesses. lative to its stock price.

But in recent months, those in takeover game have been lookig just as hard at the land those usinesses stand on and the buildigs they occupy. In the case of retailers, railroads,

out and restaurant chains and ther companies with extensive al estate holdings, they have liked has they have seen; companies in real estate that is undervalued. unt can be used to secure attractive nancing or that has strategic ap-

in deal after deal - from the akeover battles over Federated repartment Stores Inc., and the anta Fe Southern Pacific Corp. to ne buyout of Stop & Shop Cos. estate has played a pivotal role.
Six months ago, if you had said cal estate was going to be a linchin of mergers and acquisitions. copie would have laughed at ou," said David L. Knowles. a sinsging director in the real estate roup at Salomon Brothers Inc.

The reasons acquirers are paying tire attention to real estate in-While stock prices have

imged since August, real estate nees have barely budged, making ampanies with large holdings even processing around Rents in major cities around

e country have risen significantly recent years, increasing the value companies like retailers with a inge number of below-market, ing-term leases.

Lenders are willing to bankroll

keovers at cheaper rates if the equisition includes valuable real mate that can be pledged as collat-inal; such loans often carry interest ites substantially below those of igh-yield, speculative-grade innk" bonds. The increased attention being

aid to real estate helps explain Salomon Brothers and Merrill ynch have added real estate exerts to their mergers and acquisi-ions teams. While investment winks still scrutinize such tradi--onal measures as price/earning - mos, cash flows and break-up vales, real estate bas become an im-

ortant part of the equation.
The notion that corporations vere sitting on hidden gold mines the form of their real estate is not infrely new. United States acining standards require companies
in the merger-and-acquisition reies to report land and buildings at
mor mill include Hilton Hotels

market value.

out what the property was worth. stores, 146 are owned with 28.1 In the past two years, however, spemillion square feet (2.5 million cialists in takeovers have come to see this lack of information as an opportunity. If they could develop the expertise to value the real estate, they could spot corporate bar-

Consider, for example, Federated Department Stores Inc., the ob-

Which companies will be next to be taken over because of real estate? Some analysts say the most likely group is banks.

ect of a takeover fight between R.H. Macy & Co., the retailer, and Campean Corp., the Canadian de-

Analysis estimate the value of Federated's owned real estate, not including leases, at more than \$2 billion. When leased real estate is taken into consideration, the value of the real estate probably exceeds \$3 billion. Yet Federated carries its real estate on its books at \$2.4 hillion. Before it became a takeover target, the company's total market value was \$3.3 billion: The highest offer now on the table, from Campean, is \$6.6 billion.

Similarly, analysts have estimated the value of Santa Fe's property lone, which includes land and buildings throughout California, to be between \$3 billion and \$4 hilfion. Before takeover threats from the Henley Group and Olympia & York surfaced, the value of the en-

tire company was \$5.7 hillion.

Possible hidden value in May
Department Stores Co.'s real estate helps explain why it keeps resurfacing as a possible takeover candidate. The company's real estate, which includes its department stores and interests in shopping malls throughout the country, is worth more than \$1.8 hillion, analysts estimate. The entire company is currently worth about \$5.5 hillion on the stock exchange.

Many analysts feel that May's real estate is undervalued and that a big profit could be made by acquiring the company and selling off the property.

neir original cost less depreciation. Corp., Castle & Cooke Inc., and westment professionals have long Manufacturers Hanover Trust Co. oted that this meant that the value

But whatever the company, fignring out the value of vast real-

ance sheets was often well below its estate holdings is still largely guessmarket value. work. In its annual report, Federated says that of its 225 department square meters).

What are they worth? Real estate values vary widely from city to city. A store in a choice location in Los Angeles might be worth \$90 to \$125 a foot, while the same store in Detroit might be worth only \$45 to \$65 a square foot.

Companies also sometimes have just their real estate taken over when it is undervalued.

That was true in the case of F.A.O. Schwarz. At its flagship store at 58th Street and Fifth Avenue in Manhattan, the big toy com-pany had a well-below-market lease that alone was worth \$16 million, real estate professionals say. That prompted the owner of the building to buy the lease from Schwarz in 1985. The owner hopes to raise the rent for a new tenant. Schwarz, meanwhile, has moved across the street to the General

Motors Building.
With knowledge of real estate becoming increasingly important to success in mergers, it is no coincidence that some of the biggest names in real estate have gotten

into the takeover game.

They include Donald Trump, who owns a key stake in Alexander's inc., the big retailer, and Resorts International, the hotel and gambling concern; Robert Cam-peau, the controlling shareholder of Campeau, which bought Allied Stores in 1986 and Peter Kalikow the New York City property developer who recently acquired The New York Post, which also owns valuable.land.

"There's a premium to be earned for the guy who does his homework, and leading developers are accustomed to doing their homework," said Stepben A. Schapiro, an analyst at New York Urban, a New York-based mortgage-bank-

ing firm. Takeover targets are also learning how to use their valuable real estate to fend off attacks. One such company is Standard Brands Paint Co., a chain of home-decorating stores based in Torrance, California, which used its real estate to fight off Entregrowth International Ltd., a New Zealand-hased investment company.

Standard Brands raised more than \$150 million through bonds and bank notes that it used to buy back stock and thwart the takeover. Backing the IOUs is prime Califor-nia property that Standard Brands owns under its stores.

Some deals probably could not have been completed without the use of real estate as collateral,



Robert Campeau



Peter S. Kalikow

the most likely group is banks. After all, they note, bank stock prices are depressed because of their troubled loans. Yet the banks

One such bank, analysts say, is Manufacturers Hanover. Its problem loans to the Third World have depressed the company's stock price, but some analysts believe that the stock is too low given the to a r value of its real estate. Its Park perch. Avenue beadquarters alone is worth hundreds of millions of dol-

A bank spokesman says the bank has repeatedly noted that it has undervalued assets, including real

Referring to banks with troubled loans, Jerry I. Speyer, the managing partner of Tishman Speyer Propernes, a New York developer, said: ave been completed without the "If you are buying the stock cheap-se of real estate as collateral, by on the stock exchange, you don't which companies will be next to have to worry about the value of be taken over because of real es- the loans because you're getting tate? Some real estate professionals valuable real estate."

ZONES: U.S. Duty-Free Areas Are Assailed for Swelling the Trade Deficit:

ven Beckman, an international economist with the United Auto Workers Union, "But the United

States is going to have a trade problem for years. This issue isn't going to go away.' Manufacturers have found the program especially appealing.

Companies import foreign parts duty-free and then assemble them into a finished product. When the product eventually enters the United States, the tariff rate is significantly lower than if the parts had been imported separately. All ports of entry are entitled to trade zone status and those that exist generally are operated by

states or port authorities. Requirements for so-called subzone status, which is conferred on individual manufacturing plants, are tougher, with a primary consideration being benefits for the local economy. Proponents of trade zones contend they improve the competitive-ness of U.S. companies by allowing them to take advantage of cheaper foreign-made parts. And in the case of foreign companies, they say the zones have encouraged them to es-

would not have existed. Companies that use trade zones are clearly uncomfortable with any suggestion that they are contribut-ing to U.S. trade difficulties, and they generally decline to spell out how much they are importing. The program doesn't mean life and death to us, but every little bit helps," said a spokesman for General Motors Corp., which imports such items as steering wheels, transaxles and instrument panel

tablish assembly operations here and create jobs that otherwise

About \$40 billion of merchan-dise moved through trade zones in 1986, with imports representing about 25 percent of the total value,

according to Commerce Department analysts. But this still represents less than 5 percent of total

ers is that the imported content of a just want us to ban all foreign comfinished vehicle is assessed 2.5 perpanies from trade zones," said one cent duty, the same for an imported Commerce Department official U.S. imports, according to the car. If parts are imported separate-

Coastal Corp. of Houston, says the 8.3 percent. "The entire program program has vastly improved the has turned into a boundoggic for balance sheet of its refining operation in Corpus Christi, Texas, The man of the UAW. plant imports crude oil duty-free and does not pay any tariff charges until it enters the United States as a refined product. "The refining process alone could take a couple of months, so cash flow becomes very important," said a spokesman for

the company. Against a backdrop of growing global competition, these cost factors have become critical and trade zones have never been more popu-lar. As late as 1970 there were as for imports, while only a small perthere are 140 general-purpose zones. And 105 individual manu-facturing plants scattered around the country have qualified for subzone status. Moreover, the Commerce Department is reviewing 80

new applications.

The expansion gained momenrum after customs officials decided in 1980 to exclude the costs of U.S. labor used in the zones when determining duty charges.

Included in the list of companies that have secured zone status are not only such well-known foreign concerns as Olivetti, Honda Motor Co. and Volkswagen, but also International Business Machines Corp. and the big three U.S. automakers - Ford Motor Co., General Motors and Chrysler Corp.

Automaking accounts for 85 percent of the activity in trade zones. So far 40 assembly plants have subme status, and according to the Commerce Department, used \$5 billion of imported parts in 1986. The big attraction for automak-

Trade Commission study.

The management at Coastal Refining & Marketing, a unit of radios, the tariff could be as high as

Despite arguments from manufacturers that they would continue to import parts even without tariff privileges, crinics contend that the rapid increase in the number of trade zones encourages the import of even more foreign parts, often to the disadvantage of domestic sup-

Moreover, they note that the few as 12 trade zones, but today centage of zone activity is aimed at exporting. The Trade Commission study found that exports and transshipments account for only a tenth of zone shipments.

> "Nobody ever asks the big question about how it affects employ-ment across the United States or how a trade zone affects the economy as a whole," said Linda Hoff-

> The opposition has been especially fierce when it comes to foreign applicants. The rising protectionist sentiment in recent years has prompted some foreign manufacturers to establish U.S. assembly facilities. Japanese automakers, ei ther through their own U.S. subsidiaries or joint ventures with U.S. companies, have been the most conspicuous participants in the

Sometimes I think the critics

panies from trade zones," said one Commerce Department official who declined to be identified. "But the law doesn't discriminate between foreign and domestic appli-

In November, Toyota Motor Corp. ohtained subzone status for its new \$1.1 hillion assembly plant in Georgetown, Kentucky, hut only after a bitter fight during which it was charged that Japanese automakers gain an unfair advantage because they use a higher percentage of imported parts than Ameri-Can producers.

Tovota estimates it will save between \$30 and \$40 a car when its." plant reaches full production of . 200,000 cars later this year. General Motors, which says the foreign parts in its cars total less than 10 percent, saves between \$4 and \$5 a

And while Toyota says it will eventually employ 3,500 workers at .. its Kentucky plant, opponents con-tend there will be no net gain in employment since the new plant will merely take away jobs from other sectors of the auto industry.

The House Ways and Means committee is to hold hearings later man, vice president of the Dandal tive Parts and Accessories this year to determine it the transfer the benefits to some the benefits t that Japanese companies be prohibited from using trade zones. And Representative John J. La-Falce, Democrat of New York, has .. proposed a bill that would limit the imported content of products assembled in a trade zone to 20 percent of their total value.

"It's a question of comparative advantage," said Ms. Hoffman of the automorive parts association.

The American taxpayer is subsidizing a foreign manufacturer."

SATELLITE: GTE's Successful Launch Provides a Lift for the Industry

(Continued from first finance page) grounded satellite for two years. It is stuck with an unusable, \$10 million rocket engine that was to have rides elsewhere. taken the satellite from the orbit where the shuttle would deposit it to a much higher "geostationary"

In addition, Arianespace will charge about \$50 million for the launch itself, compared with the shuttle fare of less than \$20 million. Insurance, once 5 percent of satellite and launch costs, has soared to

Among the hardest hit compa-Inc. of El Segundo, California, Just before Challenger's loss, it had the launch of 10 satellites by shuttle. One, a U.S. Navy communicarocket because of its physical de- States in Intelsat.

sign, has been rescheduled for that route. Only two of the remaining nine have so far been able to hitch

Contel ASC of Rockville, Maryland, had one satellite in space at the time of the shuttle disaster. With the cancellation of a second launch in 1987, the company will consider itself lucky if it can get its next launch three years behind schedule. Similarly, Intelsat is looking to launch two satellites late in 1989 that were booked on the

shnttle for 1987 and 1988. Faced with a such an uncertain nies was Hughes Communications future, the industry is being forced to find ways to better use what it has. One fruit of this labor is the sosigned with the National Aeronau-tics and Space Administration for for its satellites in their sunset years by Communications Satellite lites fixed-sized electronic pipe-Corp., the Washington-based com- lines. Comsat can now squeeze "Ti tions satellite that cannot ride a pany that represents the United

at earth stations, which can remain aimed at a single, fixed point in the sky rather than tracking a daily rise good deal of telecommunications and fall. Now Comsat is allowing a

says Joel Alper, president of Comable to preserve the life of these satellites." The estimated added life is typically three to five years.

The launch hiatus has also sped development of new technology to push more data through the satellite equipment what used to accom- Waylon,

A satellite's on-board fuel is modate only two. Across the indusdrawn down mostly through peri- try, the migration to digital odic thrusts to fine-tune its orbit. transmission, which is generally That makes for simple operations more efficient than the conventional analog, has gained momentum.

capacity in orbit by 1986 when U.S. number of its older satellites to launches stopped. That, combined drift out of their stations and com- with new development in exploitpensating by upgrading earth sta-tions to track them up and down. "With a little bit of innovation,"

"With a little bit of innovation," has meant that no significant shortage of circuits has emerged. That has kept prices stable.

Many analysts, however, think that state of affairs could begin to end as early as next year in some service categories, reflecting capacity saturation aloft and the iticreased cost of putting satellites

"The quantity will go down and three video channels through satel- the price will go up," predicts Mr.

International Duty and Tax Free Seminar

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14:45 SELLING IN DUTY FREE: THE FRANCHISOR Edward F. McDonnell, President, Seegram International, 9:45 THE MARKET AND ITS SHOPPERS

Naggle Green, Duty Free Worldwide Director, Gallaher
International, London. Martin Dully, Chief Executive, Aer Rianta, Dublin. 15:10 THE FRANCHISEE 1945 PRODUCTS AND PRESENTATION

Jacques Greep, Commercial Director, Parliums Christian Dior, 15:35 THE SHOP MANAGER 11:10 REACHING THE CUSTOMER - THE MEDIA OF DUTY FREE

Guntram Brendel, Director, Weltnauer Group, Basel Colm McLoughtin, General Manager, Dubai Duty Free, Dubai. 16:00 PANEL DISCUSSION. 16:30 DUTY FREE: THE MARKET CHALLENGE Pamela Dimmock, Group Media Co-ordinator, Guinness plc, es Espey, Deputy Managing Director, United Distillers 11:35 MARKET RESEARCH AND DATA SOURCES Peter R. Wenban, Peter R. Wenban & Associates Peter Rueby, Managing Director, European Deta & Research Ltd.

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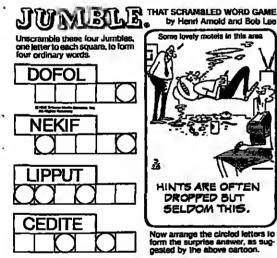
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O New York Times, edited by Eugene Maleska



"SHE COOKS JUST AS GOODIAS JULIA CHILD, BUT WITHOUT ALLTHAT YAKKIN'."



Print answer here:

lumbles: EPOCH GUARD BASKET CACTUS What the compulsive golfer was— A "CRACKPUTT"

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SPORTS

SIDELINES

Three World Swimming Records Set in U.S.

Tom Jager and Poland's Artur Wojdat set world marks Friday night. Jager shaved .09 seconds off his own record in the 50-meter freestyle with an effort of 22.23, while Wojdat became the first Polish swimmer to claim a world record. Part of a group of Polish swimmers training in Mission Viejo, California, Wojdat won in 3:47.38, breaking by .42 seconds the mark held since 1985 by West German Michael Gross. Evans swam the 1,500 in 15:52.10 to break her own mark of 16:00.73, set last year. She had won the 800 freestyle in a world-record 8:17.12 earlier in the competition.

Bassa, on Decision, Keeps His WBA Crown

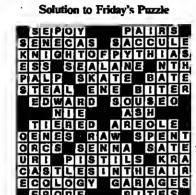
BELFAST (AP) - Fidel Bassa of Colombia survived a late rally by Dave McAuley of Northern Ireland to retain his World Boxing Association flyweight title on a unanimous 12-round decision here Saturday night.

Bassa, who knocked McAuley out here 11 months ago, decked the challenger in the ninth. Well behind on points, McAuley stormed back in the next two rounds, shaking Bassa with powerful head shots, but could not sustain the attack in the 12th.

McCumber Leads Weather-Delayed U.S. Golf

PONTE VEDRA BEACH, Florida (AP) - Mark McCumber, with a 5-underpar 67/204, held a two-shot lead Sunday after the third round of the storm-delayed Players Championship golf tournament. South African David Frost (68/206) was in second and Payne Stewart was next at 71/207.

Thunderstorms Saturday forced an overnight suspension. More than half the field of 72 marked their positions and returned early Sunday morning to complete the third round; the final round was scheduled for later in the day.



Mauch Calls It Quits

PALM SPRINGS, California (AP) - Gene Mauch announced Saturday that he was retiring as manager of the California Angels and that Cookie Ro-jas would replace him.

Manch, 62, had left the team two

weeks ago, saying he wanted a medical checkup; tests revealed that he had mild bronchitis, but otherwise was generally in good health.

On Saturday, Mauch, who has managed for 26 years in the major leagues without a World Series champion, said: You would think as long as I've been doing this, a tolerance would have de-veloped. But I doo't think I can handle losses as well as 1 should."

Witt, Boitano Win Figure Skating Title

BUDAPEST - Katarina Witt of East Ger-ORLANDO, Florida (AP) — Janet Evans set her second world record in four days Saturday and became the first woman to swim the 1,500-meter freestyle in under 16 minotes at the U.S. indoor championships.

Tom Jager and Poland's Artur Woidat set world marks Edducated to the United States won the men's title Friday. Elizabeth Manley of Canada was second as the women repeated their Olympic order of

finish at the world figure skating championships. But all the top women lacked spark as the long season seemed to take its toll. Witt won the long program, but did just three triple jumps and bailed out of two as well as a double axel. Her

"Carmen" wilted at the end instead of dying.
After finishing first in the short program,
Thomas, skating last (also to "Carmen"), had a
chance to overtake Witt for the title in their final duel. But her hopes faded when she started off badly on her triple-triple combination.

"1988 is not my year," Thomas said. "The farewell could have been better, but I am happy

Henie of Norway, who racked up three Ot pic golds, 10 world and 6 European titles. In winning the men's tide, Boitano cappe

that it is over.' She did the first triple but then only did a

double, taking the wind out of her program as she stumbled on two other triple attempts and sprawled on a triple Salchow late in the program. Manley could not duplicate her performance



Katarina Witt: International victory No. 12.

at the Olympics, where she won the long program. She did not fall Saturday, but she barely held three jumps while landing off balance. Witt won the long program, which was enough to give her the title. Manley was second in the final program with Thomas third.

Midori Ito of Japan, whose spectacular jumps dazzled the crowds in Calgary, finished third in the long program but was off-form, landing badly on jumps. She was sixth overall. "Normally, when you don't do your best, you can always say, 'Well, I'll do better next time,' "said Witt. "Now there is no next competition."

But Witt ended her amateur career on a victorious note, winning her fourth world title. She also has won two Olympic gold medals and six European crowns. With 12 major international victories, she is second only to Sonja Henie of Norway, who racked up three Olym-

In winning the men's title, Boitano capped 10 years of competition against Brian Orser of Canada, who finished second Friday. Overall, Orser has won seven of their duels to Boitano's five. The American won the last two, the Olympic gold in Calgary and the latest world title. Kurt Browning of Canada stole the show Friday, however, becoming the first skater to

successfully complete a quadruple jump in competition. Browning, who finished sixth overall, landed cleanly on one foot, although he had to do a turn on the ice to keep his balance. "There's no question I did it, none whatso-ever," he said. "It was one foot and four turns." International Skating Union officials, after watching taped replays, confirmed that the Canadian had indeed landed the quad.

Boitano said he hoped the "Battling Brians" would not be remembered as "a feuding thing like women's figure skating has a claim to."

"Brian has not only made me a better sport and a better athlete, but a better person," he wild "I what the person," he

said. "I think that's what sports is all about and I've got a lot to owe to Brian."

Not to be outdone, Orser said: "I think and I hope that we can set an example so that people who want the same goal can do it in a way that's . . friendly and sportsmanlike, and push

each other in a good way to become better athletes and better at what they do in life." Orser won the long program, hitting it perfect-ty and wanning three 6.0s for artistic impression. He had seven triples, including two triple axels, a



Brian Boitano during the medals ceremon

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Carlo N

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move Boitano bailed out on late in his prograf But the American came in second in the lo program to win his second world title. He w. in 1986: Orser triumphed in 1987.



PEANUTS

















I DID WHAT







WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam Stock prices moved lower last week on moderate volume, with most of the drop coming on

The ANP-CBS general index finished the week at 241.9, compared with 250.6 the previous Friday and 250.2 Thursday. Turnover was 6.69 billion guilders against 6.868 billion the previous week.

Kempen & Co. brokerage expects that the market will not show much activity during the pre-Easter week and will be dominated by the

dollar.
Trading was quiet, and prices changed little until Friday, when Amsterdam fell into line with Wall Street and Tokyo and prices lost about three percent.

Erankfurt

West German share prices had marked losses as the Commerzbank index closed at 1,379.9, down 77.6 from the previous Friday. Investors were disappointed at Siemens's growth forecasts made public Thursday at the annual stockholders' meeting. But the market was helped by the good reception given to the privatization of the government's 16 percent holding in Volkswagen and by the announce-ment of a record profit last year for the Bayer chemicals group.

Volume on the eight West German stock exchanges was 18 billion Deutsche marks against 16.97 billion the previous week. In autos, BMW lost 41, Daimler-Benz 55.50 and VW 4.50 DM. In electricals, Siemens was 65.37.60 and A off 37.60 and AEG, 17.10: Schering dropped 27.50 to 436 DM. In the banking sector, Commerzbank was down 15.50 DM, Dresdner, 17.50, and Deutsche Bank, 39.90.

Hong Kong

Share prices on the Hong Kong Stock Exchange plunged, with the Hang Seng Index dropping more than 100 points.

The leading market indicator closed Friday at 2,501,93 points, down 105,67 from the previous week when it cons

at 2,501.93 points, down 105.67 from the previous week, when it soared past 2,600, its highest level since the October stock market collapse. The broader based Hong Kong Index dropped 68.53 points to close at 1,639.86.

Trading began to slow at the beginning of the week, after the Hang Seng Index shed 4.8 points Monday and 8 points Tuesday. The mdex fell 32.89 points Wednesday and 15.51 Thursday, closing the week with a sharp 44.7point dive.

Dealers said Friday that the plunge was due partly to expectations of a local interest rate rise and partly to similar trends on Wall Street. Some brokers said they were confident the Hang Seng would stabilize at the 2,500 mark, while others said the index could lose another 50 points in the next several sessions.

London

Prices had their biggest plunge since early February on the London Stock Exchange, where trading volume fell back to recent low The Financial Times industrial share index

closed down 68.5 points at 1,408.3.

Hopes of a positive response to the government's budget failed to materialize, and markets started the week off on a disappointing

note.
Sterling's firmness and the latest surge of the sterling over the 3.10 DM barrier intensified lack of confidence on the market, renewing fears over competitiveness of exports before the publication Friday of trade figures for

February. The market reached a climax when, in line with New York and Tokyo markets, the Financial Times 30-share index shed more than 38 points on Thursday, its biggest daily fall since early February, while the FISE 100-share in-dex fell well below the 1,800 barrier. More than £9 billion was wiped off the value of shares. Analysts attributed the setback to fears of a

shortage of cash in the market after announcement of a £162.7 million rights issue from Lucas Industry and to renewed pressure on the dollar, as well as to womes about the world economy in general.

However, the market managed to shrug off fears of a "second blow" after last October's slump, reacting only mildly to announcement of a £720 million current account deficit for February.

Milan

Milan stock prices lost ground while daily volume was higher at around 350 billion lire a

 \mathcal{F}_{ℓ}

The Comit, index finished the week 520.59, against 545.07 the previous Friday.
Oliverti and Montedisoo were the weekstars, both ending about 4.2 percent high. There were rumors that the American grou AT&T had bought big blocs of Olivetti, a which it reportedly has 23.3 percent of the The other stocks in the De Benedetti groc _

trended downward, especially CIR at min 3.1 percent and Buitoni, down 4.3 percent.

Paris

Paris stocks did not react to the candida, for re-election of President François Mine rand, which was assumed long ago, but stor prices were hit by lower Wall Street prices as.

lears of higher U.S. inflation and interest man Analysts said the Paris market was vulned bie because of low volume. The CAC shall price index finished the week at 292 again 2992 the previous Friday. The March settlement period brought a.1. percent drop in prices over the four-week pg.

od, compared with the 18 percent jump dank the February settlement period, fueled h. "takeover fever." By the end of the week, interest had subside in Compagnie du Midi, which had been sough capital strengthening operation might not, he approved by a special stockholders' meeting. April. In that case Midi, which is coveted by Italy's Generali insurance company, might b

attacked by raiders.

Singapore
The Straits Times industrial index hit a post collapse high at the start of the week as shirt prices gained ground despite bouts of profit taking on the Singapore stock market. The index soared to 969.45 on Monday, b

highest since October's crash. It later drifte: lower to close on a depressed note as ocws to Wall Street's 43-point drop set off a wave or

ous week. Dealers said pessimism was fuclu by poor performances on overseas market toward the end of the week.

Tokyo

Trading on the Tokyo Stock Exchange can ed on a sour note as prices fell sharply of worries about the dollar and cautious attitudes () ([1])

before the new financial year.
The 225-issue Nikkei Stock Average sho
674.54 yen on the week to close Saturday of
25,320.72 yen. The average gained 422.55 ye the previous week.

The composite index of all common stock listed on the exchange's first section lost 640 points to 2,070.81, after a rise of 43.47 point. the week before.

Many institutional investors retreated to the sidelines before the new financial year, which begins April 1. Saturday's half-day loss of 305.99 year was

the second largest this year, triggered by Wal-Street's overnight plunge through the 2,000 point barrier as the dollar lost ground agains

Foreign exchange dealers said the dollar id; because it had not reached the psychological important 130-yen support level when better than expected U.S. trade figures were at nounced for January. Dealers said the thought the dollar would not fall below 12:

Most analysts expected bearish feelings dominate this week.

Zurich

Zurich stock prices finished about 3 period down after what analysts called a disappoint ing Friday session.

The Credit Suisse index finished the west 445.7 against 465.3 the previous Friday, paths Swiss Bank Corp. indicator at 504.3 against

Analysts said they were surprised at the dro in view of publication of some good compen-results. They explained the fall by tradition

investor caution before holiday periods.
The fall of Swiss stocks affected all sectors.
Examples are Union Bank of Switzering down from 3,300 to 3,110, Nestle bearer stord down 275 to 8,625, Compagnie de Reassumbearer, off 675, and Fischer, off 85 to

Foreign stocks had similar drops, such a IBM, down 9 to 151.5, Stemens 31 to 300.5 Philips, off 1.5 to 21. Bull was an exception. tacking on 3.5 to finish at 32.5.



SPORTS

atingT West showed Dave Sieger some unorthodox first-half de-

Oklahoma Wears Down Villanova to Gain Final Four, 78-59

Compiled by Our Steff From Disputches But Oklahoma's talent has taken to win, overcame a crafty, valiant BIRMINGHAM, Alabama — the Sooners to the NCAA tourna- Villanova team, 78-59, here Satur-

PONTIAC, Michigan -

Danny Manning scored 20 points and Scooter Barry added

a career-high 15 as Kansas ad-

vanced to the NCAA tourna-

ment's Final Four for the sec-

ond time in three years with a 71-58 victory Sunday over

No. 20 Kansas State in the

Midwest Regional champion-

ship game. Kansas, 25-11 and the sixth

seed in the region, is to meet fifth-ranked Duke (28-6), the

champion of the East Regional, on Saturday in Kansas City.

Kansas's last trip to the Final

Four was in 1986, when the Jay-

hawks lost to Duke 71-67 in the

semifinals. The teams met earli-

Missouri.

In the West Regional final, Arizona and North Carolina

were playing later Sunday.

Kansas.

Villanova's strategy, patience and discipline took the Wildeats a long way this college basketball season. The Sooners (34-3), proving that they don't need to score 100 points 4:08 left, turned the game into a blowout, using defense, particularly a solid half-court defense that down Villanova, which lio-

shut down Villanova, which lio-ished the season 24-13. Kansas Nips Kansas St., Many of Villanova's first-half points came off Kenny Wilson's penetration. Wilson made a 15-font 71-58, in Midwest Final (4.5-meter) shot and Doug West had a three-pointer to help the Wildcars to a 7-2 lead.

er this season, and Duke won 74-70 in overtime in Lawrence, But the Sooners scored eight in a row to go ahead 10-7. And after Wilson made a 10-footer, Oklaho-The Jayhawks were able to overcome Kansas State's 3-2 ma went on a 7-1 spurt. Dave Sieger made a three-pointer and zone, which made it difficult for Stacey King scored off an offensive them to get the ball to Manning. rebound and then again in the lane In the matchup of Big Eight rivals, Kansas State led by two for a 17-10 lead. Then the well went dry for the

at halftime and extended the lead to 36-29 with 18:10 to play Soners. A basket by Gary Massey, Villanova's sixth man, got the Wildcats started on an 11-0 run. The Sooters briefly regained the lead, 28-25, on a jumper by Harvey Grant with 7:56 to so. before the Jayhawks mounted their charge behind their two seniors, Manning and Chris Piper. Each made two field Grant with 7:56 to go. goals in a 14-6 run that gave the Jayhawks the lead for good at 43-42 with 13:51 to play.

But Wilson, who had 13 points before intermission, made a three-point play off a drive to tie the game, 28-28. The Wildcats re-gaioed the lead when Massey dunked off a Wilson feed for a 30-28 edge with 4:36 left

When the Sooners returned after lanova had its biggest lead of the seven minutes into the half, a television time-out with 4:19 left, half, 38-31, with 2:14 left.

A minute later, West drew his Tubbs called for a 2-3 zone. The

from Antbony Martin at midcourt, oot score either.

8:26 left and trailed by 59-54 with went in for the dunk and made the tree throw after a Martin foul. VilVillanova, which went shead 48-40 ers took command. (WP, NYT)

Oklahoma switched to its full- fourth foul. He sat down, and Grace

Wildcats seemed relieved and took advantage of the zone.

After Oklahoma's Ricky Grace missed a three-pointer, West hit a problem for the Sooners, who shot 16-footer. He then stole the ball just 41 percent, was that they could \$2.26 left and trailed by 59-54 with \$2.26 left and trailed by 59-54 with

Duke Eliminates Temple

Jersey — Wherever they turned, a Duke player was waiting. Whenever they took a shot, Temple players found a hand waving in their faces. Temple, the No. 1 team in the counrry, saw its hopes of winning the national championship ended in the East Regional final on Saturday, as the Owls lost to Duke, 63-53.

It was only the second defeat of the season for Temple, which en-tered the game with a 32-1 record. Its only previous loss was by a point, to Nevada-Las Vegas, in February.

The 28-6 Blue Devils won the

day and finished with 13 points; Billy King held Macon, a fresh-

effectively shutting down Vreeswyk.

"I'm a shooter, that's what I'm supposed to do, what I have to do for this team," Strickland said. for this team," Strickland said.
"But loday, I knew I had to go after
Vreeswyk. Actually, I think concentrating on defense helped my
entire game. It seemed like I coocentrated better at both ends because of it."

But Duke was unable to get closer than two points in the half as
Tim Perry's shot-hlocking ability
forced the Blue Devils to take almost all their shots from outside.
Perry had four hlocked shots. cause of it."

team shot well, and the turnover the Owls a 28-25 halftime lead. count was unusually high for both (Duke, for example, was guilty of creased Temple's lead to 31-25 at six traveling violations). And al- the start of the second half, but

Duke won its first two games of the tournament in Chapel Hill, North Carolina, pot far from the Duke campus in Durham. Coach

mal routine did not give us the feeling we were in the NCAA tourStrickland, who stung the Owls from against Rhode Island,"

mproving with each game. Coach John Chancy thought the victory

Compiled by Our Staff From Dispatches

Atlantic Coast Conference tourns- one, but be could not quibble about ment and bad overcome poor bow the Owls dismantled Richshooting to advance this far in the mond on Thursday night.

shooting to advance this far in the NCAA tournament. That appeared to make their defense even better as it held Temple to nine points in the first 14 minutes of the secood half.

Danny Ferry, the junior forward, had 20 points for Duke and Kevin Strickland added 21. For Temple, Mark Macoo had a dismal shooting day and finished with 13 points: brought his team back single hand.

But Ferry, Duke's leading scorer, brought his team back singlehan-Mike Vreeswyk, the other designated shooter, was held to 6.

ded, sooring a pair of soft jumpers that quickly got Temple's attention. that quickly got Temple's attention. That enabled Strickland, the senior man guard, to 6-for-29 shooting.
And Strickland was responsible for driving basket and jumper. When Ferry made a jumper on a rebound of a missed shot, Temple's lead was sliced to 21-19.

Phil Hendersoo and Strickland It was expected to be a low-scor-ing defensive game, and the first half followed that script. Neither his own off the fast break to give Perry's dunk and free throw in-

creased Temple's lead to 31-25 at though Macon had eight points, he then the game took a dramatic also shot 4-for-15, including five air turn. Using its defense as the impetus, Duke scored 11 points in a row and 17 of 19 to take a 42-33 lead.

Temple came apart under Duke's switching man-to-man defense, which hounded the Owls constantly. Mike Krzyzewski thought that was an advantage and disadvantage.

Which notices the defensive web closing "It was like a home court," he in. He had made only 4 of 23 with said. "But the downside was that eight minutes remaining and his air-staying home and being in our nor-ball count had climbed to seven.

nament. We were a little oervous outside, and Quin Snyder, the point guard, who had four free throws and Temple, by contrast, had been a three-pointer. The Blue Devils also began to assert themselves under the basket when Alaa Abdelnaby, a reagainst Georgetown the previous serve center, replaced Robert

World Cup Skiing

owa, Michigan, Purdue Lose as Big Ten Bows Out

WEST (in Seattle)
Arizona 99, Iowa 79: Sean Elliott scored 25 points and rizona opened the second half with a 24-9 run; Anthony ook added 16 points for the Wildcats while his teammates teve Kerr and Tom Tolbert each had 17. B.J. Armstrong led wa with 27 points. Under former Iowa Coach Lute Olson, rizona had beaten Iowa by 66-59 in Iowa City in December. Arizona's second-half spurt gave the Wildcats a 62-43 lead ith less than 14 minutes to go, enabling them to regain ontrol after an 11-2 ruo at the end of the first half pulled the lawkeyes within 38-34.

"They're never satisfied with what happens," said Olson, hose team won earlier tournament games by margins of 40 nd 29 points, "They want each game to be the best they've layed all year. I'm confident they're going to do that ecause they're confident they're going to do that."
lowa Coach Tom Davis said Arizona was a better team

trong inside play by Scott Williams and J.R. Reid to down fichigan. Williams scored 19 points and Reid had 18.

NCAA REGIONAL SEMIFINALS

have. Their inside game really hurt us. We just couldn't get over the humo in the second half,"
"We're extremely pleased to be in the finals," said Dean
Smith, the North Carolina coach. "We'll be a hard team to

beat, but who knows what will happen?"
MIDWEST (in Pontiac, Michigan)
Kansas State 73, Purdue 70: Kansas State survived a shaky

regional top seed this year.

"I thought we could pot them away," said Gene Keady, the Purdue coach. The Boilermakers raced to a 10-0 start only to blow the lead when Kansas State wiped out a nine-point halftime deficit with a 12-1 run to start the second half. We wanted to get up 15 - but do it gradually," Keady

Rumeal Robinson, a sophomore guard, scored 29 for the Yolvetines, 10 more than his previous high. But Gary Grant, fichigan's all-American guard, sat out 10 minutes because of KSU broke away from a 54-54 tie.

Purdue got to within 69-67 with 1:29 left on Everette Stephens's fourth three-pointer of the game. But Kansas State then made four of six free throws and Purdue could only muster another three-pointer by Stephens while com-

pace and gained control of the game."

bilt had two field goals and four traveling violations.

"He was phenomenal," said Larry Brown, the KU coach, of Manning, "He made his first three-pointer and be didn't even get hollered at for taking it. I can't remember a game I didn't yell at him, and I hardly yelled at him in this one."



MEN'S SLALOM **NHL Standings** (At Seobact, Austria)

1. Paul Frammell, Liechtenstein, 1:39.45

2. Armin Bittner, West Germany, 1:40.24 3. Hubert Strotz, Austria, 1:40.48 3. Mobert Strotz, Austria, 1:48.48.
4. Pirmin Zurbrispera, Switzerland, 1:
5. Felix McGrotth, U.S. 1:41.12.
6. Carla Gerosa, Italy, 1:41.19.
7. Sernhard Gstrein, Austria, 1:41.28.
7. Jonas Nilsson, Sweden, 1:41.39.
10. Günffter Moder, Austria, 1:41.55.

FINAL MEN'S STANDINGS
Overoff
1. Pirmin Zurbriogen, Switzerland, 310,
2. Alberto Tombo, Italy, 251,
3. Hubert Brotz, Austria, 190,
4. Günther Moder, Austria, 189,
5. Marc Girordelli, Luxembours, 142,
6. Markus Wasmeler, West Germany, 138,
7. Franck Piccard, France, 123,
8. Franck Heinzer, Switzerland, 113,
9. Peter Müller, Switzerland, 109,
10. Michael Matr, Italy, 108,
Downhill

 Pirmin Zutbrigoen, Switzerland, 722.
 Michael Mair, Italy, 108.
 Franz Heinzer, Switzerland, and Rob Super-Glact Sidem

1, Pirmin Zurbriggen, Switzerland, 58.

3. Markus Wasmeler, West Germony, 57.

3. Franck Piccard, France, 54.

Glast Sintens
1, Alberto Tembo, Italy, 82.
2. Hubert Sfroiz, Austria, 67.
3. Helmut Mayer, Austria, 67.
Statom Statem 1. Alberta Tombo, Ilaty, 170 points. 2. Günlher Mader, Austria, et. 3. Felix McGrath, Norwich, VI., 53.

WOMEN'S FINAL STANDKINGS

Overation Overation 1, Michela Figini, Switzerland, 244.
2, Brigitte Oertii, Switzerland, 226.
3, Anila Wachter, Austria, 211.

Soper-Gioni Statom

1, Michelo Figini, Switzerland, 65.

2, Svivia Eder, Austria, 45.

2, Blance Fernandez-Octoa, Soain, 61.

6109 Maesenlechner, West Germany,

Giant Stalom

1. Roswitha Steiner, Austria, 67. 2. Vresi Schneider, Switzerland, 1 3. Anita Wachter, Austria, 75.

Tennis WOMEN'S TOURNAMENT

Bveri (2), U.S., 6-4, 6-4,

(At Key Biscoyne)

Mais Wilander 11). Sweden, def. Yannick Nach, France, 6-4, 6-4, 6-1 Jimmy Cozners, U.S., def. Miloslav Mecir, Czechoslavakia, 6-3, 3-6, 7-5, 6-1



literally in all respects."

but Sieger and the Sooners showed Villanova the gate, 78-59.

North Carolina 78, Michigan 69: The Tar Heels used

The Associated Press
foul trouble and was on the bench when North Carolina took
NEW YORK — It was a fatal Friday night for the Big Ten
conference, as all three of its remaining teams — Iowa,
Michigan led, 39-36, with 16:41 to play but North Caroli-NEW YORK—It was a ratar rates and rates and rates are lower.

Michigan led, 39-30, with 10:41 to play our rates and fichigan and Purdue—bowed out of the NCAA basketball na went on a 14-2 temporary out 12:58 left. The Wolverines Bucknall's three-pointer with 12:58 left. The Wolverines are lower to pull about the Tay Heels. rallied to within 59-57 with 8:51 to go, but the Tar Heels

scored the next seven points to maintain control.

"I just think Carolina played very well," said Coach Bill Frieder of Michigan. "We just didn't have the depth they

start and went on to register an upset that eliminated the first

said, "But it wasn't to be, and they came back,"

mitting two critical turnovers. The winners' Will Scott added 17 points, all but two on

three-pointers. Stephens led the Boilermakers with 20 points, "We didn't change that much," said Kansas State Coach Lon Kruger. "Hey, we were down 10-0 to start the game. We talked at halftime primarily about that we didn't do the things we do every day in practice. We went out, regained the

Kansas 77, Vanderbilt 64: Danny Manning was virtually the whole show for Kansas, opening the game with a three-pointer and scoring 25 of his 38 points in the first half. Kevin Pritchard (11 points) was the only other Jayhawk in double figures. Vanderbilt was paced by Barry Booker with 22 points and Will Perdue with 16.

Kansas led 7-4 when Manning began a 12-0 run with a 14-foot (four-meter) jumper from the baseline 4:24 into the ne. When it was 19-4, with 10:45 left in the half, Vander-"I can be brief," said Coach C.M. Newton of Vanderbilt. "We got beat, I think, by a very good basketball team. . . and

by a great individual player.

con to 6-for-29 from the floor.

FRENCH FIRST DIVISION

weekend was the most impressive Brickey.

B.C. Gains Semis of NIT

essee to gain the semifinals of colge basketball's National lovitaon Tournament. Boston College will meet Big East

HEIN

HEGGIN

11.36

grich

val Connecticut Tuesday night at lew York's Madison Square Gar-en. The other semifinal will match thio State and Colorado State. Boston College never trailed. It tok a 39-34 halftime lead behind 5 points from Barros; the 5-font-1 (1.80-meter) guard scored 11 oints in the first 6:14 minutes, and cuton hit two free throws with 1:42 left in the half to give the inners their biggest lead, 26-13. MTSU railied as Ty Baynham cored eight points, hut Dwayne aincy missed the front of four

Randy Harvey scored 34 points MURFREESBORO, Tennessee

- Dana Barros scored 24 points

only 40 percent from the field and sy night to lead Boston College to ton College's respective percentages were 44 and 66.

Ohio State, the only Big Ten tear left in postseason play, advanced the semifinals Friday night with 68-65 victory over New Mexico. The Buckeyes are only the second visi ing team to win this year at "The Pit" in Albuquerque, OSU won b going 22-of-26 from the foul lin including two free throws by Curt Wilson with 30 seconds left that po the game away.

Colorado State earned its trip New York with a 64-49 victory ov Arkansas State; Pat Durham score 26 points as CSU won for the eight time in nine games. Connecticut, th last-place fimisher in the Big East advanced with a 72-61 decision over Virginia Commonwealth. U Con ne-and-one free-throw situations. he losers were only 5-for-12 from he line before intermission. took the lead for good at 53-51 or two foul shots by Steve Pikiell.

SCOREBOARD Basketball

ad Steve Bentoo added 17 Satur- 38 percent from the foul line. Bos- National Basketball Association Standings

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	Wastifrator		35		17/2	
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	L.A. Clippers	14			37/2	L
	(x-clinched playoff				/-	
_	CALCAINANCE MINISTE	44				

PRIDAY'S RESULTS
Philodelphia 14 27 38 38—77
Boston 14 27 38 39—77
Boston 29 39 9—92
Bortuny 11-146-19 27, Cheeks \$-12 48 20; Bird
\$-29 3-3 27, McHote 4-11 8-7 20, Jonnson 7-15 2-7
20, Nebouads; Philodelphia 32 (Gmiraski 14),
Boston 44 (McHote 11), Assists; Philodelphia
22 (Cheeks, G. Honderson 6), Boston 28
(McHote 9),
New Jersey 27 23 24 24—786
Indiana FRIDAY'S RESULTS

(Michiale 9).
New Jersey 27 23 24 24—746
Indiana
Tladale 8-726-722, Fleming 6-102-415; B.Williams 18-17 6-10 24, Bayley 5-14 1-1 19, Rebeauds: New Jersey 47 (B.Williams 14). Indi-Jordan 1429 11-13 37, Ookley 9-14 24 22:

Jerden 14-29 11-13 39, Ookley 9-14 3-4 23; Nonce 9-19 11-16 25, Curry 16-28 2-2 24. Re-bounds: Chicopo 45 (Ookley 19), Cleveland 49 NCAA Tournament

EAST REGIONAL
Sentificats
Duke 73, Rhode Island 72
Tempte 49, Richmond 47
Final, March 26
Duke 63, Temple 53 SOUTHEAST NEGIONAL

Villaneva 80, Kentucky 74 Oklahoma 198, Louisville 98 Flaat, March 28 MIDWEST REGIONAL Final, Morch 27 Kondos 71, Konsos Stota, St

WEST NEGIDNAL Semificats. March 25 North Carolina 78, Michigan & Final, March 27 North Carolina, 27-4, vs. Arizona, 34-2 THE FINAL FOUR

ses City, Missyri Semifinals April 2 Duke. 29-4. vs. Konsos. 25-11

Connecticut 72. Virginia Commo Ohio State 68, New Mexico 65 Colorado Diate 64. Arkansas State 47 Baston College 78. Middle Tenr. 51. 67 SEASPIMALS (of New York, March 29) Ohio State, 19-12, vs. Colorado State, 31-12 Connecticul, 18-14, vs. Boston College, 18-13 THIRD PLACE, (of New York Morch 30) CHAMPIDMSHIP (of New York Morch 30)

Toroley 84 5-11 25, Appirez 7-20 3-5 17; Ken

Assists: Portiond 17 (Porter 7), Dollos 23
)Harner 12).
Detreff 24: 23: 16—166
Son Antionio 38: 27: 17: 23—167
Sundruid 18-14-4-25. Anderson 16-14-3-7-33;
Thomas 16-27-2-2-3-4. Rodman 7-6-7-10-21. Rebounds: Detroil 62 (Lofinber 15), Son Antonio 48: (Anderson 15). Assists: Detroil 33
(Thomas 10), Son Antonio 21 (Robertson 12).
Detroirer 27: 17: 23: 4—18:
La. Lakers 27: 34: 22:—117
Enalish 14-23-6-4-34. Adams 12-22-6-7-32;
Worthy 10-14-6-24, Son 17: 17: 4-22, Rebounds:
Denver 48 (Schayes 9), Los Angeles 44 (Green 13). Assists: Occret 36 (Lever 11), Los Angeles 40 (Sot 10).

SATUNDAY'S NESULTS SATUNDAY'S NESULTS
New Jersey M 25 is 21—89
Washington 25 32 if 24—89
J.Actione 7-14 3-4 17, NA/holome 3-5 9-7 is;
E.Williams 7-10 8-14 22, McCormick 7-16 2-2 is,
Hinson 9-24 9-0 is, Rebounds: New Jersey 47
(E.Williams 111, Washington 48 (M.Molons
101, Assists: New Jersey 15 (Du.Woshington
104, Washington 25 (Bosues 8).

39 20 25 25—1W 24 26 39 26—115

Distress 11-27 7-16 29, McCray 19-19 2-4 23; Draxier 15:29 5-6 15. Duckworth 9-17 7-7 23. Rebounds: Portland 64 (Kersey 14). Houston 55 (Oligiuwon 21), Asalsts: Portland 21 (Porter 8). Houston 25 | Floyd 4).

(Matthews S), Socramenta 27 (K.Smith 12), L.A. Clippers 29 27 28 25— 90 18-15-2-13 22. Gregory 18-15 1-4 21. Rebounds: Los Angeles 53 (Kite 10). Seattle 62 (Lister, Schoene, Polynica 8). Assists: Los Angeles 30 (Vatientine 5), Seattle 32 (McMillion 8).

16; Empoli 14. ENGLISH FIRST DIVISION

Derby 8, Arsenal 9
Liverbool 2, Winbledon 1
Manchester United 3, West Horn 1
Newcostle 2, Coventry 3
Norwich 9, Shaffleid Wedgesdoy 3
Portsmouth 8, Queens Pork Rungers 1
Totherhorn 1, Nottingham Forest 1
Watland 1, Everton 2
Paints: Liverbool 76; Monichester United 62;
Everton 97; Queens Pork 55; Nottingham Forest 54; Arsenal St. Winbleston 67; Totherhorn est 54; Arsenol 53; Wimbledon 48; Tottenhor Sheffield Wednesday 43; Southampton, Cove

Portsmouth 30: Oxford 28; Wolford 23, WEST GERMAN FIRST DIVISION WEST GERMAN FIRST DIVISION
Borussia Monthersisoloch 3, Nurembers 0
Cologne 3, Weldhof Monthers p. B
Binfracts Frankfurt 1, Hembors 2
Katsenstautern 2, Bayer Levelinsen 2
Hannover 4, Bayer Levelinsen 1
Karisruhe 0, Stuttern 1
Karisruhe 0, Stuttern 1
Schalke 3, Borussia Dortmund 0
Werder Brennen 3, Bayern Munich 1
Bocham 4, Homburg 0
Poists: Werder Brennen 41; Bayern Munich, Cologne 37; Buttippert 34; Nurembers 31;
Borussia Möenchengischoch 27; Bayer Levelinsen 25; Hamburg 24; Eintrocht Frankfurt 25; Hannover, Karisruhe 22; Wolkhoft 25; Worldheit

fur? 23; Hannover, Karlsruhe ZZ; Wokihat Mannheim, Kaiserfautern 21; Barussia Dort-mund 20; Bachum, Scholke 17; Bayer Uerdingen 10; Homburg 17.

Transition

them their unconditional releases.
OETROIT—Accurred Billy Beane, outfielder, from Minnesoto for Balving Galvez. pitcher. Assigned Beane to Toledoof the Inter-MILWAUKEE-Released Doug Bair,

NEW YORK—Traded Randy Milligan, Jirst basemen, and Scrit Honian, pitcher, to Pittsburgh for Mackey Sasser, catcher, and Tim Drummand, pitcher, Assigned Orummand to water of the International League.

Cross-Country

World Championships (At Appliand, New Zepland)

2. Poul Kieksech Kenys. 34:54 3. William Kaskel, Kanya, 25:07.
4. Barlince Merunde, Kenya, 35:22.
5. Abete Mekannen, Ethiopia, 35:25. WOMEN (3.72 Miles)
L. Ingrid Kristiansen, Norwoy, 19:54.
Z. Angela Tosty, Britain, 19:23. 1. Annette Sergeni. France. 19:29.

World Championships

1. Brion Orser, Canada, 1.0 factors

Final Standings Boltona, 42 2, Drser, 48. 3, Viktor Petrenko, Y.B.

3. Viktor Petrenko, Y.I.
4. Grzegorz Filipowski, Polond, P.B.
5. Bowmon, 11.I.
4. Kuri Srowning, Canada, 13.B.
7. Helko Fischer, Wesi Germany, 12.B.
8. Petr Barna, Czechosłovskia, 16.6.
9. Poul Wylle, U.S., 17.B.
0. Vladimir Petrenko, Soviel Union, 19.
WOASEN (Short Program 1, Debi Thomas, U.S., 0.4 factored placin 2, Katarina Witt, East Germany, 0.8.

Moniey, 3.8. Ito. 3.0. 4. Thomas, 4.0. 5. Jill Trenary, U.S., 50.

Leisiner, 11.0. 5, Trendry, 11.8.
6, Ho, 12.6.
7, Caryn Kadavy, U.S., 13.8.
8, Simane Koch, Easi Germany, 16.4.
Y, Natata Lebedeva, Soviet Union, 18.6.
18, Jeonne Canway, Sritain 20.9

Preseason Baseball

Houston 7, Montreal 4 Pittsburgh 2, St. Louis 0 Baston 5, Kenses City 3 Taronta 10, Texas 10, He Delroit I), Chicago White Sox 3 Los Angeles 4, Affanio 0 Milwaukee 12, Chicago Cubs 4 Oakland 5, Cleveland) Seattle 5, San Diego 2 California 10. San Francisco

Cincinnat) 7, Philadelphia N.Y. Mets 4, Minnesota 0

Montreal 4 N.Y. Yonkees 2 Boston S. Kansas City 3 Toronto 3, Chicago While Sox 2 Detroll 9, Philadelphia 3 Toronto 3, Carlogo Vinne Sox 2
Detroil 9, Philadelphio 3
Battimore 9, Affanto 4
Alinesato 2, N.Y. Mets 3
Althousea 9, Chicago Cubs 2
Cleveland 9, Oakland 8, 11 Jinninos Seattle 17. California 3

Hockey

WALES CONFERENCE

Potrick Division

W L T Pts GF GA 4

'Islanders 37 29 10 84 292 253 56
schineren 38 31 7 83 288 231 6
Blodelphilo 37 31 7 01 276 278 7
(Rongers 34 33 9 75 300 294 15
burgh 33 33 9 75 300 294 15
burgh 33 36 27 2 266 257
Hisburgh 33 36 27 2 266 257
Adoms Division

Adoms Division

Adoms Division

Alexited 35 30 10 80 288 284
burtlerd 33 36 7 73 256
burtlerd 33 36 7 73 256
burtlerd 33 36 7 73 256
burtlerd 33 37 4 68 257 283

CAMPBELL CONFERENCE

North Division

V L T Pts GF GA

A-Outroit 39 27 10 88 305 256

A-Outroit 30 37 27 277

--Outroit 28 27 7 277

--Outroit 30 30 37 277

--Outroit 30 37 277 WALES CONFERENCE Let Harvre 1, Nontos 0
Lets 0, Nice 1
Morsellie 1, Metz 8
Monoco 0, Toulan 0
Manthellier 4, Brest 0
Milort 1, Little 0
Partis Soini-Germain 0, Lovol 0
Toulouse 2, St. Elienne 3
Points: Monoco 40; Bordeoux 36; Motro
Rocing 35; St. Effenne 34; Morsellie 37 AuxPartis 35 AuxPoints: Monoco 40; Bordeoux 36; Motro
Rocing 35; St. Effenne 34; Morsellie 37 AuxPoints 2: Montrool 40; Connect 31; Metz 30; TouPoints 20; Montrool 40; Points 34; Morsellie 37 AuxPoints 25; Montrool 40; Morsellie 37 AuxPoints 25; Montrool 40; Morsellie 37 AuxPoints 25; Montrool 40; Montrool

Vancouver 24 45 (x-clinched division lille) (y-clinched playoff berin) FRIDAY'S RESULTS Montrool
Pitisborgh 3 1 1 9-2
Pitisborgh 3 1 1-5
Cunneyworth 3 (34), Brown (24), M.Lemieux 3 (33); Thiboudeou (4), Trader (2),
Saots on goat; Montrool (on Guenetiel 8-1214-34, Pitisbursh (on Roy) 6-8-11-25,
Non-Montro New Jersey

Buffalo: Andrevetiuk (28), Shespecro (38); MocLean (19), Sundstrom (14), Shespecro (38); MocLean (19), Sundstrom (14), Shespecro (38); New Jersey (on Barrosso) (0-10-11-12-32, Buffalo (on Sauve) 10-5-13-3-31. Woshiosten
Kostelic 111, Gustafsson 1101, Galley 151,
Ledyard (5), Ridley 128); Craven 1201, Tocchet 311, Somuelsson (61. Shots on past: Phladelphia (bn Molorchuk) 8-15-9-32, Washington (on Lafforest) 24-11-17-52.

Chicopo

1 1 0-2
Vancouver

Skriko 130), Brodley (2). Benning 171;
Lormer 2 126). Shols on spail: Chicago ion
Weeks) 6-7-6-19. Vancouver ion Masoni 12-5-26. SATURDAY'S RESULTS Defroit
Defroit: Galkant 3 | 331, Kitma (181; Sandstrom 3) 271, Dehton (28), Ogradnick 1191.
Skets on gea): New York (an Siefan) 13-16-18-

24. Boston (on Brunetto) 12-13-14-39. Edmorton 2 1 1—4
N.Y. Islanders 2 1 2—5
Naketa (36), Portrin (19), Bossen (6), Lo-Fontoine (45), Suiter (27); Anderson (36), Kurri (38), Krusheinvski (19), Greizky (38), Skots en geal: Edmanten (on Hrudey) 7-13

Skets en geel: Edmanten (on Hrudey) 7-13-15-34. New York (on Fuhr) 9-12-10-31. Alinescole: 1 e 6-1 Nartiord 1 3 4-8 Ferrara (20), Robertson (21, Wilson (24). Carson (7), Tippeti (1S), MacDermio (20), Gavin (10), Francis 1341: Ruskowski (41. Shels en geel: Alinescote (on Bradeuri 7-6-9-22. Harritord (on Casevi 12-4-9-30. Winnipes 2 e 6 0 8-9 Philodelphia 2 2 2 2-4 Amrsh (2), Kerr 3 J2), Eklund (10), Crayen

Marsh (3), Kerr 3 (2), Eklund (19), Cravel (27), Shotson geal: Winnipeo (on LaForesti 8 13-16—31, Philiodelphia (on Serihlaume) 11 11-10-32 Vancouver 0 8 1--1
Cuteary 2 1 3--6
Otto J11), McCrimmon 161, MocInnis 2)24),
Tonesti 169, Sufer 119); Yamii 179), Seois on sooi: Vancouver (an Vernon) 11-8-9-28. Cafsary (on Weeks) 13-9-11--31.

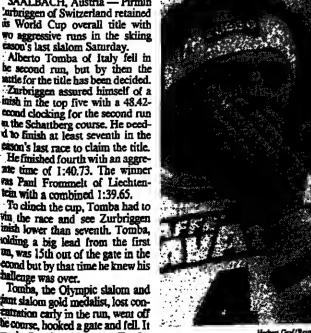
Chicopo 1 3 3—5
Los Angeles 4 3 2—7
Bourmouriner 131, Corson 3 1311, Tovior
(26), Corpenter 2 (19), Robitalile (46), Kontos
(3); Saripass (8), Graham (23), Vincelerie
(6), Larmer (37), B.Wilson (6), Shots on goal: on (on Healy) 8-18-7-35. Los Argeles

Skiing Hard, Zurbriggen Wins Overall Cup Crown SAALBACH, Austria — Pirmin urbriggen of Switzerland retained is World Cup overall title with wo aggressive runs in the skiing

Alberto Tomba of Italy fell in the second run, but by then the attle for the title has been decided. Zurbriggen assured himself of a inish in the top five with a 48.42econd clocking for the second run in the Schattberg course. He needd to finish at least seventh in the cason's last race to claim the title. He finished fourth with an aggreme time of 1:40.73. The winner ras Paul Frommelt of Liechtentein with a combined 1:39.65. To clinch the cup, Tomba had to vin the race and see Zurbriggen inish lower than seventh. Tomba, tolding a big lead from the first un, was 15th out of the gate in the

Tomba, the Olympic stalom and pant stalom gold medalist, lost contration early in the run, went off be course, hooked a gate and fell. It ras the first time this season Tomba wed to finish a slalom. He had six ictories and one second place and ad taken the discipline's title long efore Saturday. "I am happy, but I also feel sorry or Tomba. He is a super skier and

hallenge was over.



Said an only slightly subdued Alberto Tomba: "Til be back."

Zurbriggen won only two downills this season, but his consistency

1 all four sweets hald consistenc 1 all four events held sway over two points overall but was was faomba, who does not race downhill voved in both events. Friday's giant The two dominated the cup sea-slaton "made the difference," Tomwith Zurbriggen also winning ba said. "Had I taken some points, I downhill and super-giant titles. would have had an easier job today.



Herbert Graf/R

that event for a total of nine cup victories for the season. or Tomba. He is a super skier and "I'll be back next season. I'll be b

QUARTER FINALS omba also took the giant slalom But Zurbriggen also showed that he the after winning three races in is a great champion."

say 5-713-321, Drestor 5-283-431, Duckworth 7-12 2-4 16, Porter 5-29 6-0 16, Rebounds: Port-land 65 (Dresder 14), Dallas 57) Donoldson 14), Assists: Portland 17 (Parter 7), Dallas 25

26 den Stote
26 27 31 12-72
26 den Stote
26 27 31 33-113
Doller 6-18 7-10 17, Cope 7-13 3-4 17; Hippins
A 8-11 19, Rebornds: Gold-

3-12-22 Millin 41 Te-11 19. Reborads: Golden State 41 (Hopper 13), Los Angeles 68 (Gregory 12), Assists: Golden State 10 (Garland 7), Los Angeles 27 (Valentine 14).

4), Washington 25 (Bagues 8). Cleveland 24 27 28 27—162 Attento 26 29 28 25—167 Wilkins 15-27 7-737, Willisé-14 44 167 Dougherty 10-125-825, Nonce 6-1312-1224. Rebessids: Cleveland 37 (Nonce 81. Affanta 46 (Wittis 18).

(Rivers 91.
Sas Antonio 24 25 31 32—117
Datios 63 29 28 25—131
Blackman 13-20 44 30, Aguirre 9-14 3-2 20;
Davkins 10-14 44 26, Brickowski 19-17 45 24,
Rebogads: San Antonio 42 (Anderson 9), Dalias 50 (Tarolev 16), Assists: San Antonia 28
(Davkins 11), Dalias 40 (Aguirre 10).
Reston 32 27 19 35—118
New York 24 27 24 27—196
Bird 11-195-5 31, Archole 18-14 5-4 25; Ewing
18-15-5-25, Walker 7-13 1-1 15, Cartwrishi 3-5910 15, Rebounds: Baston 41 (Bird 8), New York
41 (Walker 8), Assists: Baston 32 (Bird 0), New York 26 (Jackson 144).

Jordon 16-27 a-9 35, Vincent 1-11 3-3 19; Person 14-22-2-31, Tisdate 10-21 3-423. Rebounds: Indiana 56 (Person 14), Chicago 45 (Oakier 17), Assists: Indiana 24 (Fleming 8), Chicago

23 19 27 39-102
Phoenix 22 28 39 23-103
Thomas 13-20 9-10 35 Dumors 6-11 4-1 16Dovis 10-25 9-9 29, Gilliam 73-15 0-1 24. Rebounds: Detroit 33 (Radmon 16), Phoenix 40
(Gilliam 6), Assists: Detroit 20 (Thomas 6),
Phoenix 40 (Gilliam 6), Assists: Detroit 20 (Thomas 6), 23 18 27 39—100 22 28 30 23—103

Secrements
K.Smith 11-17 9-10 30, Thorpe 7-17 7-11 21;
Scott 11-03-020, Worthy 9-163-419, Rebounds:
Los Angeles 39 (Worthy 9-163-419, Rebounds:
Los Angeles 39 (Worthy 9-163-419, Rebounds:
Los Angeles 31 (Morthy 9-163-419, Angeles 21 (Morthyeas 3), Socramento 27 (K.Smith 12),

English 14-20 1-2 29, Lever 12-20 4-5 28; Mullin 8-15 5-7 21, Higgins 9-13 2-2 20, Rebooks: Denver 51 (Schoyes 13), Golden Stote 44 (Felti 7), Assists: Denver 31), Lever 9), Golden Stote 27 (Gorland, Multin 6). Soccer

AFRICAN NATIONS FINAL . ITALIAN FIRST DIVISION :

Chariton 8, Oxford 6 Cheises 9, Southampt Derby & Arsenal 9

try 40: Newcastle, Norwich 39; Luton 36; West Ham 36; Derby 29; Chelseo 34; Churtten 32;

BASEBALL BASEBALL
American League
BALTIMORE—Assigned Jay Tibbs, Bric
Bell John Habyan and Bill Scherver, elitchers,
to Rochaster el the International League,
BOSTON—Ploced Bob Stanley, alticher, on
the 21-day disabled list and Elits Burks, outrisider, on the 15-day disabled list.
CHICAGO—Ploced Jerry Hairston, designed hither, and Roy Secrege and Jim Winn,
plicipers, on walvers for the purpose of giving
them their unconditional releases.

MINNESOTA-Assigned Botvino Galvez. pitcher, to Orlando of the Southern Leadue. National League HOUSTON—Traded Robbie Wine, cutcher, to Texas for Mike Loynd, pitcher, Assigned Loynd to Tucson of the Pocific Coast League.

4, Lynn Jennings, U.S. 19:38. 5. Albertino Mochado, Portugol, 19:38.

Borcelona & Betts 1 Real Sociedad & Lournes N Real Sociedad 4. Lagranes 8
Voltadatid 3. Matterca 8
Real Madrid 3. Sobodell 1
Gillon 3. Articitico de Madrid 8
Zaragoza 1. Articitic de Bilboo
Carsuno 1. Volencia 1
Sevitio 2. Cadis 1
Marcio 1. Cetta 8

Figure skating

25. 2. Brian Boltana. U.S., 2.0.
2. Kurt Browning, Canada. 3.0.
4. Christopher Bowman, U.S., 4.0.
5. Viktor Petrenko, Soviet Union, S.0.

3. Mideri 11a, Joseph 1.2. 4. Elizabeth Manley, Conada, 1.6.

N.Y. Yorkees 4. Bellimore 3
SATURDAY'S RESULTS Les Angeles 7. Houston 2 Cinclanett 8, Pittsburgh 7 St. Louis 2, Texas 1

Sects on seq.); New York (an Stettat) 13-16-16-6-47. Detroil (on Frace) 8-2-7-0-17. Quebec 1 1 8-2 Boston 3 1 2-4 Milber (7), Wesley (7), Byers (10), Neety 2 (42), Sweeney (22); Ouchesne (23), Haworith (29), Shots on seal: Quebec (on Moog) 10-5-9-1. Witt. 24. 2, Monley, 4.8. 3, Thomas, 6.2.

9017 (On Weeks) 13-7-11-2.
Torente 8 1 1 8-2
St. Loeis 8 1 1 1-3
Suffer (15), Roberts (3), Poslawski (3); Iofrate (22), Osborne (20), Shets on east: Toronto (on Millen) 3-6-50-16. St. Louis (on Wregget) 9-20-13-3-45.
Chicago 1 3 3-5

By William Safire

chard" (in which Gielgud played Trolimov) did not know how the

play came out. Noël Coward's "The Vortex" was as shocking as

Look Back in Anger" 30 years

later and it was the heyday of

stars, like Gerald Du Maurier,

who did their own staging, fiddled with the lines, and did not strain

"Du Maurier was a wonderful

Ronald Colman broken-nosed

sort of genius who was supposed

to do a play by Maugham directed by himself and he said I don't like

this play, it's far too good and I

haven't anything to change in it."

It was, Gielgud says, because

no one was doing the classics and

because he was unusually young

that his Hamlet (Gielgnd was 25)

was such a success. He played

Hamlet many times, once on a

stage so steeply raked that Yor-ick's skull rolled out of sight be-

Iore Gielgud could get hold of it.
"Doing too many Hamlets is a
mistake," he says. "The last time I
didn't know whose Hamlet I was

doing."
Hamlet and Lear, because both

have comedy, are easier to play than Othello and Macbeth, who

have no humor, Gielgud says. He preferred the Prospero he did for Peter Brook to the one he did for

After years of lying back while screen makeup is applied, it is a pleasure to get back to putting on

greasepaint at the Apollo, "a pleasant 20-minute affair of con-

science and varity," Gielgud calls it. There is talk that "The Best of

Friends" will be filmed and while

it is nice to think of a Gielgud

performance being preserved, Gielgud himself has written that

he is nowhere happier than in "the theater, where nothing tangible

remains to reproach me for bad work or carelessness, and where

themselves in difficult parts.

reporting election returns on one of the primary nights, wondered aloud whether a percentage figure he was giving should be described as less or fewer. The grammarian on judgment: When a percentage is used to indicate an amount or quantity, it takes less; when used to describe a number, it takes fewer.

Thus, were care "Life France of the grammatic steer that night, the anchorus Dan Rather slipped me an insit usage: "In this next intervies watch for a prepackaged burst."

Wait a minute. This is not a simple fight between amount and number. The amount-number, lessfewer rule is clear. Less is used with amounts thought of as a quantity that can be measured or a singular abstraction (less ink, less time, less political power), while fewer is used with numbers thought of as individual persons or things that can be counted (fewer good stories, fewer minutes of airtime, fewer moments of glory). A Chinese bakery may produce 10 percent lewer fortune cookies and in each cookie use 10. percent less sugar; a primary elec-tion may turn out 50 percent lewer voters, who are 50 percent less sure

Peter Hall because Brook had But here's the rub: when you use Prospero return willingly to civili-zation while Hall had him go back a qualifying adjective before the word percentage — specifically, a comparative, ending in -er, rather reluctantly in shabby clothes that had been lying in the cave all than a superlative, ending in est --then smaller or lower are preferred "I think the andience liked it to lesser, and greater or higher is much preferred to more. Say, "He better when I went up in a cloud won a greater percentage of the vote than last time, even if he got tion is more convincing if it is accepted with joy rather than despair." ICWET VOICE."

of their convictions.

(And do not equate percent with percentage points, the grammarian should have gone on to say, if he had had time, and if he had thought of it. As the style manual for The New York Times explains, "If an interest rate rises to 11 percent from 10 percent, it is a rise of one percentage point, but it is an increase of 10 percent.")

Consider, then, this fragment from an Associated Press dispatch about the sale of the Eastern Air Shuttle, as printed in The Times: "If less than 50 percent of the new company's employees chose to join the union . . . "Consider it incorthe union... Consider it moureet. It could be "less than 50 percent of the new company's work lorce," in which the workers are lumped together into a lorce, but it

WASHINGTON — The CBS the new company's employees' because employees are individuals, to

nowever, say "smaller than 50 pe cent"; you might say "the percen age is smaller or that it's "belo".

In return for the grammatic steer that

describe a number, it takes fewer.

Thus, you say, "His Florida percentage in 1988 was less than it was in 1984," and "Fewer voters went for him this year."

I listened, and sure enough when a candidate was asked about one subject, he gave it short shrift and then exploded with a 15-sa ond pitch about what he had con.

on to say in the first place. This oratorical burnt does no come from outburst, a sudden eng tion of rhetoric, an uncontrolle breaking of the verbal dam; on th contrary, the etymon of this polit-cal television device can be four in the electronic burst transmission. The dictionaries have not yet on ered this sense.

The prepackaged burst is roote in spookspeak, and I turned to the Iormer director of Central Intelligence Richard Helms.

"I'm not very up to date on cos-nunications technology," he began (the lormer masterspy always say that, presumably to throw off is teners in), "but I can tell you gener ally what is involved in a burst

"Sometime back, the technicism discovered how to send a hell of. lot of words in a very quick broad cast, making it hard to intercer and decipher. Say you're an ages in a house in the center of Moscos and you want to communicate wit your headquarters. You wouldn't want to be on the air long enoug for the triangulation of listering bands to locate you. With a burs transmission, you can pass along information instantaneously, make

ing you harder to trace."
How Iar back is "sometim-back"? "At least 25 years because I've been out of this thing for 10-o. 15 years now, and burst transmis. sions had been common practic lor quite a while before I left."

As cuss comes from curse, but comes from burst; the rich roo word now has senses ranging from
"intense activity" to "sudden emo
tion" to "a rapid sequence of shotfrom one pull of the trigger." Tha last sense is what the television people have in mind when a pol crupt with his pitch.

New York Times Service

Gielgud: Happiness and Too Many Hamlets When Less Is Fewer audience, rapt and beaming with ONDON — Today's London affection. The celebratory mood is Sir John Gielgud moved to the been in the days when trezsured country 12 years ago. But now he actors had Stage Jubilees. Sir John is back on the stage after a decade turned down a gala four years age spent on television and films, and when he turned 80, and quite

he walks to work nights from the rightly: instead he is having one Ritz Hotel to Shaftesbury Ave-each night for the play's threenue, striding swiftly and straight- month run.

MARY BLUME

backed past fat garbage bags and moon-faced crowds. When be reaches the stage door of the Apollo Theatre it must feel like a

"Oh, yes," he says, "I've always thought that. When I used to do films at Lime Grove in the '30s, I was so glad to get back in the theater at night."

Except for "Providence," by Alain Resnais and Brideshead Revisited" - "It's such fun to play prigs and bores" -- his films have never approached his work and a whole new public as the butler in "Arthur," a role so successful that after a most enjoyable and tear-streeted death and and tear-streaked death scene he

was resuscitated for a sequel. He just played an elderly Jew in the mammoth TV production of Herman Wouk's "War and Remembrance" and be ended at clear are that he has very good Auschwitz, where the company eyesight and is very observant, and that his besetting size off. spent a week. "It was very strange and that his besetting sins, off-and made you think a bit." he stage and on, are impetuosity,

Ralph Richardson in David Storey's "Home" in 1970, Gielgud is now the distinguished bibliophile Sir Sydney Cockerell in "The Best to the sydney Cockerell in "T character play based on the letters or Iaux pas when his beautiful of Cockerell, George Bernard chamber music voice, rapid as it Sbaw and Dame Lanrentia is, cannot keep up with his rush of McLachlan, abbess of Stanbrook reactions. Sometimes what he says

Abbey in Worcester.

As a play "The Best of Friends" is hardly a play at all, more a cozy and genteel evening of overheard civilities, but as Sir John says, it is in very good English that is nice to speak. He took his part after worshard a bit that Shardly a play at all, more a cozy and genteel evening of overheard civilities, but as Sir John says, it is in very good English that is nice to speak. He took his part after worshard a bit that Shardly and the says a bit that Shardly and the says in the says and the says in the says rying a bit that Shaw's was bigger and he picks his way through it the wrong thing. "I drop bricks with quiet cunning, waiting to quite instinctively," he has said, pounce until his best speech at the "It worries me so." After a particular to the property of the propert

ANNOUNCEMENTS

SAVE MORE

"Oh they are sweet and they listen," he says of the audiences. "Cockerell's family have been to see me and we've had tremendous interest from the nunnery at Stanbrook. We thought of bringing them in buses to see it but they aren't allowed out, I always notice in America that nuns do come to

Sir John was in his suite at the Ritz, elegant in a cream silk shirt, cream knitted tie and black striped suit, with pink, unlined cheeks and bright blue eyes. He is known to friends as John G. and possibly because he sees himself as a link in a long theatrical tradirather than loll and bask he simply went off with an old Iriend for ovsters and an afternoon movie.

says. "But I had some wonderful seif-consciousness and a lack of interest in anything not immediately connected with himself or boldly and brilliantly with Sir the theater. He is considered an of Friends," an amiable three-borne out by his famous "bricks" merely confirms his Alice in Won-

pounce until his best speech at the "It worries me so." After a particularly hectic performance of the most interesting thing "Hamlet" with Richard Burton, about "The Best of Friends" is the which Gielgud directed, he ar-



Gielgud in one of his early Hamlets and today ("I'm so terrified I'll become a fearful bore").

later when you're better — er, ready." His first directing job was "Romeo and Juliet" in 1935, and in his nervous curtain speech he referred his friends to Edith Evans and Peggy Ashcroft as "two lead-ing ladies the like of whom I hope

shall never meet again."

Writing of the French actor Co-quelin, the critic C.E. Montagne said he was the sum of the three parts of great acting: "a plastic physical medium, a finished technical cunning and a passion of joy in the thought of the character acted." The same could he said of Gielgud and was, by Kenneth Tynan, although Tynan need Montague's words to criticize what he considered Gielgud's stiffness. "He said I had only two gestures and I said what else? I only have two hands," Gielgud

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Nn one would have expected Gieleud, this graceful and poetic man, to turn out to have more grit and endurance than his illustrious contemporaries. The lact gives him no joy.

"That's the only sadness, really When you are lucky enough still to he working you suddenly feel gmilty that so many people have gone and so many are laid low." The past gives no pleasure.

"T've become curiously uninterested in my scrapbooks and no-tices and things. I know when I had successes and when I had fallures, what went on. And I'm a bit sick of myself because I've written Iour books and there were three books about me when I was 80. I'm so terrified I'll become a learful bore with my anecdotes and stories. They're quite good to dine out on, but I think one can become a terrible theater bore."

After walk-ons, Gielgud had his

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While Gielgud, seizing a parasol, first important role as the White Butterfly in "The Insect Play" in 1923. He played the first of his three Romeos the next year (not a good role, he thinks, and one that of glory wearing a beautiful cos-tume. I think the return to civilizahe has never pleased himself in). One critic said be had the most meaningless less imaginable.

> "I was a frightful flop in those days and lortunately I don't think I realized myself bow badly a lot of people thought of me. I had a sort of push and then I had my theater connections, which were a great help to me." He says it was not until his first Old Vic season, in 1929, that he started to know something about acting. His roles that season included not only Ro-meo but Oberon and Richard II.

When John Gielgud began on the stage, actors still took bows after each act and no one was doing the classics in the commercial theater. Light comedy, larce there is always tomorrow's audi-and melodrama were popular and ence and tomorrow's inspiration Chekhov was so unfamiliar that which may yet, I hope, surprise

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